

in relieving the stress of unemployment, restoration of national prosperity, and as an act of justice to faithful workers in the service of the United States; to the Committee on Ways and Means.

9020. By Mr. CULLEN: Petition of the Maritime Association of the Port of New York, opposing the abolishment of the United States Employees Compensation Commission and consequent transfer of administration of the longshoremen and harbor workers' compensation act to the Department of Labor as inimical to the best welfare of the shipping interests of the United States; to the Committee on Expenditures in the Executive Departments.

9021. By Mr. ESTEP: Memorial of Squirrel Hill Woman's Christian Temperance Union, opposing repeal of the eighteenth amendment or modification of the national prohibition act; to the Committee on Ways and Means.

9022. Also, memorial of the Fraternal Order of Police, Lodge No. 1, Pittsburgh, Pa., protesting against continuance of the furlough and salary reductions for Federal employees; to the Committee on Appropriations.

9023. By Mr. GARBER: Petition urging support of railroad pension bills, S. 4646 and H. R. 9891; to the Committee on Interstate and Foreign Commerce.

9024. By Mr. KVALE: Petition requesting immediate approval of Senate bill 1197, signed by numerous farmers, laboring, professional, and business men and women from the State of Minnesota; to the Committee on Banking and Currency.

9025. By Mr. LAMBERTSON: Petition of Mrs. H. E. Maynard and 342 other citizens of Jackson County, Kans., opposing any legislation providing for the manufacture of beer and further opposing any measure providing for the nullification or repeal of the eighteenth amendment; to the Committee on the Judiciary.

9026. By Mr. LINDSAY: Petition of Turner Construction Co., New York City, opposing House bill 9921; to the Committee on Expenditures in the Executive Departments.

9027. Also, petition of the Maritime Association of the Port of New York, New York City, protesting against the abolishment of the United States Employees' Compensation Commission; to the Committee on Expenditures in the Executive Departments.

9028. By Mr. MURPHY: Petition of 46 citizens of Conotton, Ohio, and vicinity, urging the passage of the stop-alien representation amendment to the United States Constitution to cut out the 6,280,000 aliens in this country, and count only American citizens, when making future apportionments for congressional districts; to the Committee on the Judiciary.

9029. By Mr. PARKER of Georgia: Memorial of the Southwest Georgia Baptist Pastors Conference, signed by H. M. Melton, president, and H. G. Wheeler, secretary, commending Georgia Congressmen who voted against the resolution to repeal the eighteenth amendment and severely censuring the Georgia Congressmen who voted for repeal, and earnestly urging Congressmen and Senators from Georgia to support the Constitution of the United States and assist in retaining therein the eighteenth amendment thereto; to the Committee on Ways and Means.

9030. By Mr. RUDD: Petition of the Maritime Association of the Port of New York, opposing the President's recommendation in so far as it affects the administration of the longshoremen and harbor workers' compensation act; to the Committee on Expenditures in the Executive Departments.

9031. Also, petition of Turner Construction Co., New York City, opposing the enactment of House bill 9921; to the Committee on Expenditures in the Executive Departments.

9032. By Mr. SNELL: Petition of residents of Ellenburg Depot, Ticonderoga, and Conifer, N. Y., urging prompt action on the stop-alien representation amendment to the United States Constitution; to the Committee on the Judiciary.

9033. By Mr. SPARKS: Petition of citizens of Miltonvale, Kans., submitted by Mrs. T. E. Mason, Jim M. Willey, and Mrs. L. W. Neaderleiser, and signed by 264 others, pro-

testing against the legalizing of intoxicating liquors; to the Committee on the Judiciary.

9034. By Mr. STRONG of Pennsylvania: Petition of citizens of Punxsutawney, Sigel, and vicinity, all of the State of Pennsylvania, favoring an amendment to the Constitution of the United States to exclude aliens in the count for the apportionment of Representatives in Congress among the several States; to the Committee on the Judiciary.

9035. Also, petition of Barnard Woman's Christian Temperance Union, of Dayton, Pa., opposing any change in the Volstead Act or the eighteenth amendment; to the Committee on the Judiciary.

9036. By Mr. TAYLOR of Colorado: Petition of citizens of southwestern Colorado, urging legislation for the remonetization of silver at a reasonable ratio with gold; to the Committee on Coinage, Weights, and Measures.

9037. By Mr. TARVER: Petition of members of the Missionary Society of the First Methodist Church, of Marietta, Ga., opposing the repeal of the eighteenth amendment; to the Committee on the Judiciary.

9038. By Mr. TEMPLE: Petition of Rev. O. E. Rodkey, Methodist Episcopal Church, Carmichaels, Pa., supporting the stop-alien representation amendment to the Constitution; to the Committee on the Judiciary.

9039. Also, petition of Col. A. L. Hawkins Council, No. 334, Junior Order United American Mechanics, California, Pa., protesting against the continuance of the furlough provision of the economy law; to the Committee on Ways and Means.

9040. By Mr. TIERNEY: Petition of Harry W. Congdon Post of the American Legion, Bridgeport, Conn., with reference to the so-called Economy League; to the Committee on World War Veterans' Legislation.

9041. Also, petition of Ignatius K. Werwinski, requesting the issuance of special series postage stamps in honor of Gen. Thaddeus Kosciuszko during the month of October, 1933; to the Committee on the Post Office and Post Roads.

9042. By the SPEAKER: Petition of John J. Boyd and others of Baltimore, Md., requesting that an amendment to the Federal home loan bank act be passed; to the Committee on Banking and Currency.

9043. Also, petition of citizens of Jackson, Mich., favoring the maintenance of the eighteenth amendment; to the Committee on the Judiciary.

SENATE

SATURDAY, DECEMBER 17, 1932

(Legislative day of Thursday, December 8, 1932)

The Senate met at 12 o'clock meridian, on the expiration of the recess.

Mr. FESS. Mr. President, I suggest the absence of a quorum.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Hull	Reynolds
Austin	Dale	Kean	Robinson, Ark.
Bailey	Davis	Kendrick	Robinson, Ind.
Bankhead	Dickinson	Keyes	Schall
Barbour	Dill	King	Schuyler
Barkley	Fess	La Follette	Shipstead
Bingham	Frazier	Logan	Shortridge
Black	George	Long	Smith
Blaine	Glass	McGill	Smoot
Borah	Goldsborough	McKellar	Stelwer
Broussard	Gore	McNary	Thomas, Okla.
Bulkeley	Grammer	Metcalf	Trammell
Bulow	Hale	Moses	Tydings
Byrnes	Harrison	Neely	Vandenberg
Capper	Hastings	Norbeck	Wagner
Carey	Hatfield	Nye	Walsh, Mass.
Cohen	Hawes	Oddie	Walsh, Mont.
Coolidge	Hayden	Patterson	Watson
Copeland	Hebert	Pittman	White
Copigan	Howell	Reed	

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are neces-

sarily detained in attendance on the funeral of the late Representative Garrett.

I also desire to announce that the Senator from Illinois [Mr. LEWIS] and the Senator from Virginia [Mr. SWANSON] are detained on official business.

I also wish to announce that the junior Senator from Mississippi [Mr. STEPHENS] and the junior Senator from Arkansas [Mrs. CARAWAY] are detained by reason of illness.

Mr. TRAMMELL. I wish to announce that my colleague the senior Senator from Florida [Mr. FLETCHER] is detained by illness.

Mr. LA FOLLETTE. I wish to announce that the Senator from Iowa [Mr. BROOKHART] is necessarily absent by reason of illness.

Mr. WALSH of Montana. My colleague [Mr. WHEELER] is absent on account of illness.

The VICE PRESIDENT. Seventy-nine Senators have answered to their names. A quorum is present. The Senator from Louisiana [Mr. LONG] retains the floor.

Mr. COPELAND. Mr. President, will the Senator yield?

Mr. LONG. I yield to Senators for the transaction of routine morning business.

PETITIONS AND MEMORIALS

Mr. COPELAND presented numerous memorials of sundry citizens and religious bodies in the State of New York, remonstrating against the passage of legislation to legalize the manufacture and sale of beers and liquors with a stronger alcoholic content than one-half of 1 per cent, which were referred to the Committee on the Judiciary.

Mr. GOLDSBOROUGH presented resolutions adopted by the directors of the Maryland Tobacco Growers' Association, at Baltimore, Md., stating "if there are to be any changes made in the agricultural marketing act that these changes be made by those who are sympathetic with the problems of the American farmer," and favoring the replenishing of the revolving fund of the Federal Farm Board to its original amount of \$500,000,000, which were referred to the Committee on Agriculture and Forestry.

Mr. BINGHAM presented the petition of the Woman's Home Missionary Society, of Hamden, Conn., praying for the prompt ratification of the World Court protocols, which was ordered to lie on the table.

He also presented the petition of the Woman's Home Missionary Society, of Hamden, Conn., praying for the passage of legislation providing regulation of the motion picture industry, which was ordered to lie on the table.

He also presented a resolution indorsed by the senior and junior sections, National Council of Jewish Women, of Norwalk, Conn., favoring the initiation by the United States Government of negotiations with foreign powers to obtain international action on economic issues, including revision of war debts and reparations, which was referred to the Committee on Finance.

SENATOR FROM ARKANSAS

Mr. ROBINSON of Arkansas presented the credentials of Mrs. HATTIE W. CARAWAY, chosen a Senator from the State of Arkansas for the term commencing on the 4th day of March, 1933, which were ordered to be placed on file and to be printed in the RECORD, as follows:

STATE OF ARKANSAS,
EXECUTIVE CHAMBER,
Little Rock, December 15, 1932.

To the PRESIDENT OF THE SENATE OF THE UNITED STATES:

This is to certify that on the 8th day of November, 1932 (Mrs.) HATTIE W. CARAWAY was duly chosen by the qualified electors of the State of Arkansas a Senator from said State to represent said State in the Senate of the United States for the term of six years, beginning on the 4th day of March, 1933.

Witness: His Excellency our Governor Harvey Parnell, and our seal hereto affixed at Little Rock, Ark., this the 15th day of December, in the year of our Lord 1932.

HARVEY PARNELL, Governor.

By the Governor:
[SEAL.]

Ed F. McDONALD,
Secretary of State.

REPORT OF THE COMMERCE COMMITTEE

Mr. VANDENBERG, from the Committee on Commerce, to which was referred the bill (S. 5059) to extend the time for

completion of a bridge across Lake Champlain at or near Rouses Point, N. Y., and a point at or near Alburgh, Vt., reported it without amendment, and submitted a report (No. 1007) thereon.

ENROLLED BILLS PRESENTED

Mr. VANDENBERG, from the Committee on Enrolled Bills, reported that on yesterday, December 16, 1932, that committee presented to the President of the United States the following enrolled bills:

S. 4023. An act providing for the closing of barber shops one day in every seven in the District of Columbia; and

S. 4123. An act to amend the District of Columbia traffic acts, as amended.

BILLS AND JOINT RESOLUTIONS INTRODUCED

Bills and joint resolutions were introduced, read the first time, and, by unanimous consent, the second time, and referred as follows:

By Mr. MCGILL:

A bill (S. 5212) granting a pension to Fred B. Johnson; to the Committee on Pensions.

By Mr. AUSTIN:

A bill (S. 5213) granting an increase of pension to Rosa A. Hall; to the Committee on Pensions.

By Mr. GOLDSBOROUGH:

A bill (S. 5214) to correct the naval record of Michael J. Budzinski; to the Committee on Naval Affairs.

By Mr. HAYDEN:

A bill (S. 5215) granting an increase of pension to Claud D. Lugenbeel; to the Committee on Pensions.

By Mr. WATSON:

A bill (S. 5216) granting an increase of pension to Mahala Burton (with accompanying papers);

A bill (S. 5217) granting a pension to Charles Kemmer (with accompanying papers); and

A bill (S. 5218) granting a pension to Mariah A. House (with accompanying papers); to the Committee on Pensions.

By Mr. SHIPSTEAD:

A bill (S. 5219) to provide funds for cooperation with the Minnesota State Board of Control in the extension of the Minnesota State Sanatorium at Ah-Gwah-Ching, Minn. (with an accompanying paper); to the Committee on Indian Affairs.

A bill (S. 5220) authorizing the appointment of Bernard C. Rose as a second lieutenant, Army Air Corps; to the Committee on Military Affairs.

A bill (S. 5221) granting a pension to Matilda Davison (with accompanying papers); to the Committee on Pensions.

By Mr. ROBINSON of Arkansas:

A joint resolution (S. J. Res. 218) authorizing the issuance of a special series of postage stamps commemorative of Gen. Thaddeus Kosciusko; to the Committee on Post Offices and Post Roads.

By Mr. CAREY and Mr. STEIWER:

A joint resolution (S. J. Res. 219) authorizing the fixing of grazing fees on lands within national forests; to the table.

MAIL AND MERCHANT MARINE

Mr. COPELAND. Mr. President, I ask unanimous consent to have printed in the RECORD an editorial from the Evening Star, of this city, under date of December 16, 1932, entitled "Mail and Merchant Marine."

There being no objection, the editorial was ordered to be printed in the RECORD, as follows:

MAIL AND MERCHANT MARINE

The House, in its action on the Treasury and Post Office Departments appropriation bill, has wisely retained the provisions for the transportation of foreign mail in American-flag merchant vessels. Annually, when this item of appropriation comes up for consideration in the Congress, there is assault on "mail subsidies" awarded by the Government to American merchant vessels. The money so expended, however, makes it possible for the United States to have an overseas merchant marine. That is the long and the short of it. Either the Government must continue to aid these American ships through mail contracts, or the Government must watch the American merchant marine, engaged in overseas trade, vanish from the seven seas, as it vanished in the past, before the World War. The only alternative would be a Government

owned and operated merchant marine, which would be vastly more costly to the American people than the present mail subsidies.

An adequate merchant marine is to the United States an essential. It is essential because America must have a voice in the carrying of its foreign trade, unless it is to be in a position to be discriminated against when occasion arises. It is essential because fast and large merchant vessels are vitally needed as auxiliaries to the Navy in the event of war. When the World War broke out in 1914 America was not long in learning how helpless the country was without its own overseas merchant marine. And when the United States itself became involved in the war the country, with feverish haste and at an expenditure of billions of dollars, undertook to build up a merchant marine as a military and naval auxiliary to the armed forces.

Following the World War the Congress determined that never again should the United States be permitted to suffer as it had from lack of an adequate merchant marine. For a time the Government, through the United States Shipping Board and its Fleet Corporation and its agents, operated the overseas American merchant fleet. But the intent of Congress was to get the Government out of the shipping business as speedily as possible. With that end in view steps were taken to make it possible for Americans to compete in the foreign carrying trade with other nations. These included loans to Americans desiring to extend the merchant marine and the so-called mail subsidies. And now, in some quarters in this country, there is demand that this policy be discontinued. There could be no more foolish and unpatriotic course. There could be no course that would more delight the foreign shipping nations. These competitors of the United States in the carrying trade had come, before the war, to look upon the business of carrying American commerce as a vested right. They still so look upon it, and they have moved heaven and earth to disparage American shipping and to stir up resentment against it in this country.

There are two reasons why American ships can not compete on all fours with those of foreign nations without some aid from the Government. First, ships can not be constructed in American shipyards for as little money as they can be constructed in foreign yards. Second, under the laws of the United States and the higher standard of living set in this country, they can not be operated as cheaply as can foreign ships. And in addition to these reasons for governmental aid, investigation has shown that foreign governments have given many subsidies to their merchant marines and are still giving them.

The appropriation for the transportation of the foreign mails, as it is formally called in the appropriation bill, has still to run the gantlet of the Senate committee and the Senate itself. The total carried in the bill is \$35,000,000, of which not to exceed \$7,000,000 may be used for carrying foreign mail by aircraft. The total is small in comparison to the vast benefits which the country receives from a merchant marine that, despite the depression, has made rapid strides in service.

THE FARM PROBLEM

Mr. COSTIGAN. Mr. President, last Sunday Mr. Bernhard Osterlenk published in the New York Times an informative article on certain legislative aspects of our national farm problem. I ask unanimous consent that the article may be printed in the RECORD.

The VICE PRESIDENT. Without objection, it is so ordered.

The article is as follows:

[From the New York Times, Sunday, December 11, 1932]

THE FARM PROBLEM BECOMES MORE URGENT—AGRICULTURAL PRICES HAVING DROPPED AGAIN, THE FAILURE OF PREVIOUS RELIEF MEASURES IS EMPHASIZED, AND NEW REMEDIES ARE CONSIDERED—THE DEBENTURE AND EQUALIZATION FEE ARE REVIVED, AND GREAT INTEREST CENTERS ON THE LATEST SCHEME, THE ALLOTMENT PLAN—IN THREE YEARS FARM INCOMES HAVE DROPPED MORE THAN \$6,000,000,000—FARM PRICES HAVE DROPPED 56 PER CENT, WHILE TAXES ARE VIRTUALLY UNCHANGED

By Bernhard Osterlenk

The problem of farm relief has become more urgent than ever. It threatens not only to press hard for some sort of solution or amelioration on the present session of Congress but also to test severely the Roosevelt administration which will take office next March. The prices of farm products, whose steady decline since 1920 has been wiping out farmers' equities and reducing their labor income to the vanishing point, have taken a further sharp drop.

The average farmer can not meet his taxes or pay interest on his mortgage; he can not find the money needed for the purchase of fertilizer, machinery, or any of the scores of other things necessary in his work. With this great fundamental industry laid low, any real recovery in the country as a whole is retarded until some program is worked out for the restoration of agriculture.

THE MORTGAGE DEBT

The farms of America are burdened with \$9,500,000,000 in mortgages. To pay the interest on the average Iowa farm mortgage—to take a typical example—would require more oats than the farm could possibly raise. Under such conditions foreclosures have become more and more frequent; banks, insurance companies, and other mortgage concerns, forced to take over farms, receive from

their tenants in rent an amount insufficient to cover the taxes. The farmers who have not been foreclosed are demanding a writing down of their mortgage debt and its refunding at lower interest rates.

The burden of these debts is reflected in the attitude of the Middle West toward the war debts owed the United States. The farmer can not easily see why the country should agree to any downward revision of the foreign debts of \$11,000,000,000 so long as he is told that the writing down of his mortgage debt is "uneconomic" and outside the realm of practical achievement.

MARKET RESTRICTIONS

To the farmer the whole international situation appears puzzling. While the United States, Canada, Argentina, Australia, the Danubian countries, Poland, and other countries that produce agricultural surpluses are staggering under the weight of unsalable stocks and their farmers are becoming impoverished, industrial countries such as Germany, France, and England, which normally supplement their domestic production by imports of farm commodities, are now sharply restricting such imports—by means of tariffs, import monopolies, milling and mixing restrictions, quotas, and embargoes. By maintaining high domestic prices they are, on the one hand, encouraging home production, and, on the other, discouraging consumption. The net effect is that the surplus of agricultural products is rapidly increasing and prices on the world market are falling.

Farm income in the United States has dropped from \$16,000,000,000 in 1919 to \$11,000,000,000 in 1929 and to \$5,300,000,000 in 1932. By the wiping out in three years of an annual market for \$6,000,000,000 worth of goods—an amount far greater than the value of all our exports during the 1929 peak—industrial activity has been severely curtailed. The effects have been felt in mills and factories in the form of unemployment and reduced profits, by the railways in the form of decreased traffic, and by the Nation's financial institutions in the form of strains and readjustments. Industrialists and bankers are therefore joining the 6,500,000 farmers in demanding that the disabilities under which agriculture labors be corrected.

I. Past efforts

In past years the farmers have raised the same cry for help, with inadequate results. The Republican policy at Washington has been to meet their complaints with suggestions and measures designed to reduce production costs. These took the form of promotion of scientific, mechanized agriculture; the advocacy of cooperative marketing; the regulation of stockyard and commodity exchanges in order to give the farmers a larger share of prices; the lowering of freight rates; the reduction of farm taxes by shifting part of these taxes from lands to income and manufactured goods; and the reduction of interest rates through the establishment of Federal land banks, joint-stock land banks, and intermediate credit banks.

On the other hand, these means of reducing farm costs have been offset, in part at least, according to a large group of farm leaders, by the enactment of Republican tariff laws in 1922 and 1930. It is argued that the increased tariff rates on farm commodities embraced in these two measures were of no assistance to agriculture, while the added rates on industrial commodities greatly increased the price of things the farmer needed in production.

An attempt was made by President Hoover to stabilize farm prices through the creation of the Federal Farm Board. But this experiment resulted disastrously. At the end of three years prices had reached the lowest levels on record; the \$500,000,000 capital of the board had been spent and in its place the board held some 250,000,000 bushels of wheat and 1,000,000 bales of cotton, both of which had been bought at far higher prices than the present sale prices of these commodities.

THE FARMERS' PROPOSALS

While these policies were being followed at Washington the farmers themselves had fairly definite ideas as to the kind of relief they wanted. For the past decade their leaders have been advocating two plans, the debenture and the equalization-fee plan, but both of these failed of enactment. In recent months a third proposal, the voluntary allotment plan, has been added, and this plan also, it is reported, has the disapproval of the Hoover administration. The voluntary allotment plan is now gaining wide support in farm and political circles and it seems probable that an attempt will be made to enact it into law at the present session of Congress. If it meets with a presidential veto, it will be revived as soon as Governor Roosevelt enters the White House.

It is not unlikely, moreover, that the debenture and equalization-fee plans will be revived and used in connection with the allotment plan with regard to commodities which can not very well be controlled under that scheme. Both in Congress and among the advisers of the President elect there is talk of a "three-ply program," meaning a combination of the three plans which now dominate farm discussion.

II. Debenture

Under the debenture plan exporters of farm products would receive bounties from the Federal Treasury. The latest form of the plan calls for bounties equal to one-half the tariff rates on the products involved. Thus an exporter about to ship wheat abroad would receive a bounty of 21 cents a bushel, one-half the existing wheat tariff rate of 42 cents.

The plan is designed not only to encourage the exportation of surplus farm products but to raise the price levels in this country. The bounty of 21 cents a bushel would enable the exporter to pay that much more for his wheat in the United States and still sell

at the world price level with about the same margin of profit as before. And farm economists are agreed that he would be compelled to pay these higher prices under stress of competition with other exporters.

With the exporters bidding 21 cents more per bushel, it is argued that domestic millers would have to bid equally high for the wheat they needed. Therefore an American wheat crop of 800,000,000 bushels would bring the farmers \$168,000,000 additional income because of the debenture program, but the debentures would actually be paid on only about 200,000,000 bushels exported and would cost the Government \$42,000,000.

Two main criticisms have been made of this plan. The first is that the increased prices to the farmers would encourage them to increase production and thus ultimately nullify the benefits sought. The second is that a burdensome increase in the cost of food would be borne by the consumer; his real wages would be lowered in consequence.

III. Equalization fee

The equalization-fee plan, which has the same purposes behind it as the debenture plan and has been subjected to the same criticism, differs from it in a number of ways. As incorporated in the McNary-Haugen bills—twice vetoed by President Coolidge on the ground, among others, of unconstitutionality—the plan would call for some degree of Government assistance, but for no bounty from the Treasury.

The proposal involves the creation of a Government export corporation which would buy up surplus farm products at approximately the world price plus the tariff charge and withhold them from the domestic market. Its proposed workings can be shown, for example, in the case of wheat.

Let us assume a 42-cent tariff on wheat, a total production of 800,000,000 bushels, an exportable surplus of 200,000,000 bushels annually, and a world price of 50 cents a bushel. Because of the tariff the domestic price could be advanced to about 90 cents a bushel by withholding the surplus. The export corporation would buy the 200,000,000-bushel surplus at about 90 cents, thereby advancing prices to that point, but would sell abroad at the world price of 50 cents.

The losses incurred by the corporation in this way would be made up by the farmers who were benefited. The assessment against each farmer would constitute his "equalization fee."

Without some such plan as this the 800,000,000 bushels of wheat produced in the United States would bring, under a world price of 50 cents a bushel, about \$400,000,000. Under the equalization program the total return to the farmers, at 90 cents a bushel, would be \$720,000,000; out of this the farmers must repay the export corporation \$80,000,000, or 10 cents a bushel, to make up its losses. The net gain to the farmers would therefore be about 30 cents a bushel, or \$240,000,000—in the case of wheat alone.

Under present conditions, farm leaders assert, the existence of an exportable surplus makes the tariff on agricultural products ineffective, but under the debenture and equalization-fee plans the tariff would be converted into a weapon to force higher prices.

IV. Voluntary allotment

Newer than either of the two plans so far discussed, and just now the magic formula among farmers, is the voluntary-allotment plan. In a sense it combines some of the features of the debenture and equalization-fee proposals, but it meets some of the more serious objections made against them. Like both of them, it is designed to advance the domestic price of farm commodities. Unlike both of them, however, it is also designed to hold production within bounds.

The allotment plan passed the Senate as the Norbeck bill last summer, but was recalled before it could be introduced in the House. Another bill was introduced in the House as the Fulmer bill, and still another somewhat later as the Hope bill. The Democratic platform favorably alluded to this plan, and Mr. Roosevelt, during his campaign, and especially in his Topeka speech on September 14, virtually outlined this program and gave it his approval.

Under the voluntary-allotment scheme, the Internal Revenue Bureau would collect, by a stamp arrangement or otherwise, an excise tax upon farm products domestically consumed. This would be collected from the processor—in the case of wheat, from the miller; in the case of hogs, from the meat packer; in the case of cotton, from the textile mills, etc. In each case the excise tax would be equal to the tariff. Upon wheat the miller would pay a tax of 42 cents for every bushel which he ground into flour and sold on the domestic market; no excise tax would be levied when the flour was sold abroad.

A FUND CREATED

Assuming that a tax would be paid on 600,000,000 bushels of wheat, there would be created a wheat fund of \$252,000,000. Similar funds would be established for other exportable commodities, such as tobacco, cotton, and, in a more complicated way, livestock.

Another step in the program would involve a contract between the Government and the individual farmer whereby the farmer would agree to limit his producing acreage in return for a portion of the fund collected by means of the excise tax.

In the case of wheat, for example, a referendum of the 1,300,000 wheat growers would have to be held, in which 60 per cent must consent to Government allotment of wheat acreage before the Government would make the plan effective. The referendum would be preceded by a campaign of education explaining the workings of the plan and the need of cooperation on the part of the farmers.

If 60 per cent or more of the farmers proved agreeable, Federal, State, and county allotment commissions would be set up. The Federal commission would allot to each State a certain acreage of wheat, based upon the acreage shown by census figures for the previous five years. The State commission in turn would allot wheat acreage to each county on a similar basis. The county commission would carefully survey the wheat acreage of its farmers and, after holding hearings and publishing its findings, would divide its allotment among the farmers.

DEALINGS WITH INDIVIDUALS

Farmer Jones would now be approached by the county committee. He would be asked to agree voluntarily to a limitation in his wheat acreage in accordance with the plan worked out. If Jones refused to agree, he would be dropped, so far as this plan on wheat was concerned, and would continue producing wheat in accordance with his inalienable right.

But Smith, his neighbor, might agree to an allotment. It would be worked out in his case in accordance with his average wheat acreage during the previous five years. If the national commission had decided to reduce wheat acreage 20 per cent and this ratio had been passed down to the county, Smith would be asked to sow only 20 acres of wheat instead of his previous 25 acres. If he were accustomed to raising 15 bushels to the acre, he would receive in return for this voluntary restriction of acreage allotment certificates for the 300 bushels of wheat he would now expect to grow.

When the crop was harvested, Smith would sell his wheat on the open market in competition with all other producers, including Jones, and would receive the open-market price. But in addition Smith would have his allotment certificates for 300 bushels, which would now be redeemed by the Government from the fund made up by the excise tax.

CASHING THE CERTIFICATES

If all of the wheat growers in the United States, except Jones, had cooperated in the plan and the total production of wheat had been reduced 20 per cent, from 800,000,000 bushels to 640,000,000 bushels, there would be outstanding 640,000,000 allotment certificates. There would have been collected in excise taxes \$252,000,000 and, after deduction of expenses for the operation of the plan, there would be available, say, \$250,000,000 to be divided among the allotment-certificate holders. Each holder would, therefore, receive an additional 39 cents for every bushel of wheat.

If Jones and Smith had both sold their wheat at 50 cents a bushel, Jones would have received \$187.50 for the 375 bushels from 25 acres, while Smith would have received \$150 for the 300 bushels from his 20 acres and would add to it now the \$117 to which he was entitled from the Government fund. His total receipts would become \$267, as against Jones's \$187.50, and his labor would have been 20 per cent less.

Yet another advantage would be Smith's under the plan. If he complied with the contract which he signed, he would receive the bonus on his 300 shares no matter what happened to his crop because of drought or other factors. He would get the \$117 if he harvested no wheat at all. In that case the scheme would serve him as crop insurance.

The sponsors of this plan argue that it is not only intended to make the tariff effective on agricultural commodities but that it would actually limit production and raise prices accordingly. It is a plan to adjust production to consumption. It is planned production.

V. The debate

It is too early to predict precisely the form that this legislation will take in Congress because of the conflicting interests involved and also because hosts of new ideas are constantly being injected into it. In its simplest form it was made applicable only to commodities of which we have a surplus. Special devices are being suggested to make it effective with regard to cotton, while evading possible retaliation by foreign governments, which may interpret the scheme as a dumping process. A conflict arises between various producers as to what commodities should be included. Then there is disagreement as to whether the scheme should be administered under the Farm Board, thus rehabilitating a defunct institution, or under the Department of Agriculture, or under the political organization of States and counties.

Needless to say, the plan has the enthusiastic support of thousands of farmers who produce crops of which there is now a surplus. The creditors of the farmers and those who serve the farmers, such as the insurance companies, country bankers, machinery manufacturers, and others, have for obvious economic reasons aligned themselves in favor of the idea. Even among urban groups this plan is meeting with some favor, in spite of the fact that it will increase domestic prices and thereby reduce real wages. The urban groups that favor it do so because they hope it will increase the purchasing power of the farmer to such a degree as to assist in restoring industrial activity.

EFFECT ON FARM INCOMES

Varying with the number of commodities included in the proposed bill, the additional farm income by this plan has been estimated from \$750,000,000 annually to \$1,025,000,000. The farm income would be raised from \$5,200,000,000, as of 1932, to about \$6,000,000,000. This increase, of itself, many farmers point out, would not be sufficient to restore their purchasing power; hence the proposals to combine the plan with other price-advancing measures.

Opponents of the plan, besides declaring that it would be insufficient to bring back prosperity and that it would set up a bureaucracy, object to it on several other grounds. The processors, from

whom the excise tax would be collected, fear that they could not pass it on entirely to the consumer, and some assert they would have to make larger investments. The tobacco interests, for example, point out that they cure their tobacco over a long period of years. If the tax were applied when they purchased their tobacco, they would become involved in large, long-time, nonproductive investments. If, on the other hand, the tax were not imposed until the tobacco finally went to market the grower would have to wait many years to cash his allotment certificates.

EFFECT ON THE CONSUMER

The most important objection, however, is that the plan would increase the cost of food to the consumer. To the industrialist this means that he would be placed at a disadvantage in the markets of the world because of the wage differential needed in this country to pay the increased food prices. To the consumer himself a rise in the price of food means a reduction in real wages.

An allotment plan that would increase the farm income to \$6,000,000,000 would cost the average consumer about \$7.70 annually, or \$26.18 for the average family of 3.4 persons, if the excise taxes in full were passed down. In the case of a pound loaf of bread the increased cost would be about 1 cent.

Whether the prospect of such increases will bring a protest from the general public, or whether it will be accepted as a necessary factor in ending the depression, can only be determined as the situation develops.

Meantime students of economics are vitally interested in the scheme for two reasons: (1) Because it offers inducements to the farmers to limit their production, and (2) because it suggests a method of planned production within the capitalistic system instead of the present method of unrestrained competition.

REPORT ON THE HUDSON RIVER BETWEEN TROY AND WATERFORD, N. Y. (S. DOC. NO. 155)

Mr. COPELAND. I have been requested by the Committee on Commerce to ask unanimous consent to have a report of the Army engineers on the Hudson River survey made a public document. It is the usual custom.

The PRESIDING OFFICER (Mr. COUZENS in the chair). Is there objection? The Chair hears none, and it is so ordered.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. BYRNES. Mr. President, I desire to offer an amendment if the Senator from Louisiana will yield for that purpose.

Mr. LONG. I yield.

Mr. BYRNES. I offer the amendment and ask that it may be reported.

The VICE PRESIDENT. The amendment will be read for the information of the Senate.

The CHIEF CLERK. On page 37, strike out all after line 7, down to and including the word "report" in line 23, and insert in lieu thereof the following:

SEC. 9. (a) If in the election provided for in section 4, on the question of the adoption of the constitution, a majority of the votes cast are in favor of the ratification of the constitution, such ratification shall be deemed an expression of the will of the people of the Philippine Islands in favor of Philippine independence, and the result of said election shall be reported to the President of the United States, who shall within 60 days thereafter issue a proclamation announcing the result of said election, and on the 4th day of July, immediately following the expiration of a period of 12 years from the date of the inauguration of the new government under the constitution provided for in this act.

Mr. ROBINSON of Arkansas. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield?

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. I believe that the arrangement contemplated by the amendment now offered by the Senator from South Carolina ought to prove satisfactory to almost everyone here. It is provided in the amendment that if, in the election which is contemplated in connection with the adoption of the constitution, a majority vote for the constitution, that action shall be regarded as an expression of the will of the people of the Philippine Islands in favor of independence. That would terminate any question as to their desire in the matter.

It does seem to me that is the logical and effective way to determine their will. There is in a sense a measure of

inconsistency in requiring them to adopt a constitution based without doubt upon the theory that independence is intended, and then require an additional and subsequent expression on the subject in favor of independence. I believe that this constitutes a means by which a conclusion may be reached and the bill brought hastily to final passage.

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from California?

Mr. LONG. I yield.

Mr. SHORTRIDGE. Am I to understand that if the proposed amendment is adopted it will do away with any future plebiscite?

Mr. LONG. This is the plebiscite. It is made the plebiscite. I agree with the Senator from Arkansas that this is a compromise which makes a consistent provision.

Mr. BYRNES. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from South Carolina?

Mr. LONG. I yield.

Mr. BYRNES. The effect of the amendment is to have the election upon the ratification of the constitution serve as an expression of the views of the people of the Philippine Islands on the question of their independence. Whenever the result of that election is reported to the President he shall issue a proclamation as to the result of the election and at the same time, as provided in the amendment and as was provided by the House and provided by my amendment offered on yesterday, at the expiration of the period of 12 years heretofore agreed to by the Senate, on the 4th day of July, there shall be issued a proclamation of independence. There is no change made in any of the provisions of the bill passed by the House, which, as a matter of fact, are carried in the Senate's bill, except the ratification of a constitution being regarded as an expression of the views of the people of the islands.

Mr. BINGHAM. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Connecticut?

Mr. LONG. I yield.

Mr. BINGHAM. If I understand correctly the amendment now offered by the Senator from South Carolina, it is in effect exactly what he offered previously, the only difference being that the vote in regard to the constitution, which comes after their constitutional convention meets in the course of a couple of years, is to be regarded as the final vote on independence. The Senate by its vote yesterday extended the time for the people to decide definitely whether or not they wish independence to the end of the 12-year period of trial and experimentation with a modified tariff wall.

The proposal to-day sets it back 12 years and says they must decide before they have experimented with the tariff, before they have experimented with their own form of government, and before they know by a period of 12 years what is going to be the condition in the Far East at the end of that 12-year period. It is called a compromise. It is difficult to see just where the compromise comes in, except that the first plebiscite on the constitution is termed a plebiscite on independence. Actually under the provisions of the amendment offered by the Senator from South Carolina yesterday that was the case. The vote on the constitution, if adopted by a majority vote, decides the question of independence, as it would decide it under the amendment offered yesterday. Therefore, Mr. President, it is difficult to see wherein this is a compromise.

Mr. BORAH. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Idaho?

Mr. LONG. Yes, sir.

Mr. BORAH. As I understand the effect of this amendment it is to provide for an election dedicated to the ratification of the constitution, a plebiscite that is to say, and that that shall be regarded as a final determination of the Philippine people in behalf of independence.

Mr. President, I do not know of any better test of the desire of the people to be independent than that of electing delegates to a constitutional convention, framing a constitution, and ratifying the constitution. That ought to be final and conclusive, and I sincerely hope that it will prove satisfactory. The regret I have about the whole bill is that it postpones the time of independence too far in the future. That perhaps can not be avoided under the circumstances, but certainly this is a sufficient plebiscite for the manifestation of the opinion and the feeling of the people of the Philippines to be independent. Now, if we can shorten the time for independence, I shall feel we have met the issue fairly.

Mr. BINGHAM. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Connecticut?

Mr. LONG. I yield; but I promised to yield to the Senator from Arkansas.

Mr. BINGHAM. I wish to ask the Senator from Idaho whether he voted for the amendment offered by the Senator from South Carolina yesterday?

Mr. BORAH. I did. May I ask the Senator from Connecticut if there is anything illogical in my position?

Mr. BINGHAM. Not at all. The Senator has not changed his position in the least. He was in favor of the amendment yesterday, which is virtually the same as the amendment offered to-day.

Mr. ROBINSON of Arkansas. Mr. President, I wish to be heard on that proposition.

Mr. BORAH. There is a difference in the proposition, I think, a very substantial difference, and that is that we declare by this proposal that action on the constitution shall be considered a final determination of these people of their desire for independence. We do not hold out anything further in the future for them; they know when they act upon the constitution that that is their final judgment, and it seems to me that ought to be conclusive.

Mr. ROBINSON of Arkansas. Mr. President—

Mr. PITTMAN. Mr. President, will the Senator permit me?

The VICE PRESIDENT. Does the Senator from Louisiana yield and, if so, to whom?

Mr. LONG. I promised to yield to the Senator from Arkansas.

Mr. ROBINSON of Arkansas. I will yield to the Senator from Nevada.

Mr. PITTMAN. Mr. President, I am sorry that the Senator from New Mexico [Mr. CUTTING] is unable to be here this morning by reason of a severe cold, and his physician would not permit him to come. He is one of the proponents of this measure and one of its authors; but on yesterday afternoon several of us conferred with the Senator from New Mexico and also with the Senator from Arkansas with regard not only to the parliamentary situation but the necessity of promptly getting action on this proposed legislation in some form.

I do not think that I have at all misrepresented the position of the Senator from New Mexico when I say that he was deeply interested in the question of the plebiscite. The foundation of his desire to provide for one was that we should not cast off these people, but should allow them to determine whether they desire to be cast off or not. As the House bill is now framed, there is no opportunity at any time for them to express themselves on that question, nor is there any provision in the bill as it is before the Senate to enable them to give expression to their desire except under the form of the plebiscite that is now provided in the bill. If that provision goes out, then, to satisfy those who think that they should have a chance of expression, there must be something else placed in it, whether it be at the beginning or at the end of the interim period.

Without the amendment of the Senator from South Carolina the question is not submitted to the people as to whether they desire separation or not. The sole question under the present language of the bill, eliminating the pleb-

iscite provision, would be whether they approve the constitution or not. They are two separate questions; but, on the other hand, both seem to me to be covered if by an amendment to this bill we say to them, "In voting at the constitutional referendum you have two questions to decide: First, are you satisfied with the constitution; and, second, being satisfied with the constitution, are you satisfied at a certain period of time prescribed in the bill, without any further action, to be entirely separated from the United States?" So the two questions are involved in this proposal.

Mr. BARKLEY. Mr. President—

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. I yield.

Mr. BARKLEY. Could not that question be separated on the ballot at the time the election is held so that the voter might express his wishes as to each of them, thus providing a separate determination as to the constitution itself on its own merits and the question of liberty on its merits?

Mr. PITTMAN. Recognizing that the Filipino people have more interest in the question than anybody else, we have done exactly as we have done toward the States. We have granted to them full power through their legislature to regulate the method and manner and time, within limits, of submitting this question and how it shall be submitted. If the Legislature of the Philippine Islands feels that the question should be divided, it is perfectly simple, under the authority they have, for them to divide the question. If they feel that the adoption of the constitution will in itself be an admission that the Filipinos desire separation, that is probably the way the vote will be taken. I do not think we can possibly in the bill arrange the way the vote shall be taken.

Mr. BARKLEY. I agree with the Senator that if that be possible through the operation of the Philippine Legislature, it would satisfy not only my curiosity but my interest; but to provide simply for a vote on a constitutional question and that that vote automatically shall be regarded as an expression of the will of the people on another question, seems to me a little unusual.

Mr. ROBINSON of Arkansas. Mr. President, may I ask the Senator from Nevada a question?

The VICE PRESIDENT. Does the Senator from Louisiana yield to the Senator from Arkansas?

Mr. LONG. Yes, sir.

Mr. ROBINSON of Arkansas. In the event the constitution should be adopted under the terms of the committee bill, and independence should be rejected under the plebiscite that is contemplated by the bill subsequent to the Philippine people passing upon the constitution, what would be the government of the Philippines after it had adopted the constitution prepared and promulgated with a view to independence and then rejected independence? What then would be the situation of the government?

Mr. PITTMAN. Under the act, if they rejected the constitution, they would exist under an autonomous government called the "Commonwealth of the Philippine Islands."

Mr. ROBINSON of Arkansas. Would they retain their constitution?

Mr. PITTMAN. Under the act they would retain their constitution.

The question that agitated the minds of the Senator from New Mexico and others was that under the bill as framed the Filipinos were not put on notice if they approved the terms of the constitution that in itself would settle the question whether they wanted totally to separate or whether they wanted to retain the autonomous government; but, by virtue of this amendment, they are put on notice that there are really two questions submitted to them; namely, do they approve the terms of the constitution; and, if they do, do they approve of the total separation that will take place at the end of the period specified in the bill? To a great extent that satisfies that principle.

Mr. LONG. That is the same question, is it not? The fact that they vote for a form of government and a con-

stitution under which they are going to live is an expression that they wish to sever themselves from the United States.

Mr. PITTMAN. That is the principle; and, therefore, the principle being taken care of, it is only a question of the time when they shall express themselves. As we have a right to believe, there is a majority in this body that do not believe that the question as to whether they want to separate should be put off so long. We have to recognize the majority sentiment. As far as the other House is concerned, its Members were unanimously opposed to the long wait before determining the question as to whether or not the Filipinos wanted totally to separate themselves from the United States. We have taken care of that principle.

Before I conclude let me say a word or two further.

Mr. BARKLEY. Mr. President, will the Senator yield to me again?

The VICE PRESIDENT. Does the Senator from Louisiana yield further?

Mr. LONG. I yield.

Mr. BARKLEY. I am not satisfied that the Senator is correct in his interpretation of the amendment of the Senator from South Carolina. After consulting with the author of the amendment, I am afraid the Senator from Nevada is not correct in the statement that the Legislature of the Philippine Islands will be free to offer any detailed plan for the holding of the election and to separate the question of adopting the constitution from the question of liberty.

The Senator from South Carolina advises me that it does not authorize any such interpretation. If that is true, suppose the Philippine Legislature or the constitutional convention, whichever frames the constitution which is to be submitted to a popular vote, should frame a constitution that would not meet the approval of the Philippine people. That is not inconceivable, because I remember a few years ago some of the ablest men in New York State framed a constitution that was hailed by the newspapers and magazines and public speakers as the last word in wisdom in the framing of constitutions; but when it was submitted to the people of New York, they rejected it by an overwhelming majority. If it be true that a vote on the question of the constitution automatically is an expression of their will on independence, if we might conceive of a constitution framed and submitted to them that they would not support on its merits, a negative vote on that constitution would automatically carry with it also the interpretation that they did not want independence. So I am afraid that would not be a fair expression of their will.

Mr. PITTMAN. Mr. President, if the amendment offered by the Senator from South Carolina does not authorize the submission of the question of independence, we may turn to section 4 of the bill, which provides for the holding of the constitutional convention, and reads as follows:

SEC. 4. After the President of the United States has certified that the constitution conforms with the provisions of this act, it shall be submitted to the people of the Philippine Islands for their ratification or rejection at an election to be held within four months after the date of such certification, on a date to be fixed by the Philippine Legislature, at which election the qualified voters of the Philippine Islands shall have an opportunity to vote directly for or against the proposed constitution and ordinances appended thereto. Such election shall be held in such manner as may be prescribed by the Philippine Legislature, to which the return of the election shall be made.

If we want to do so, we can add to that section a provision that the Philippine Legislature may submit the question as to whether or not the Filipinos desire complete independence.

Mr. BARKLEY. So that if they should express independently a desire for independence, although they might not approve of the constitution submitted, they could go ahead and in a subsequent proceeding write another constitution which they might approve.

Mr. PITTMAN. Absolutely, and I intended, if the pending proposal does not give them that liberty, to change the words in section 4.

Now, just one more suggestion and I am through. I take it that if we adopt this amendment, we will perfect the

other section if necessary, and I see from the statement of the Senator from Kentucky that section 4 should be enlarged in conformity with the amendment. The main question, however, that agitated me as a member of the committee was not so much the plebiscite as it was the question of our Government giving them authority during the interim to prepare their financial condition for the future. I know that some Senators are more interested in the question of the bonds than anything else. I assure them that that is secondary. Under the present law they can not do anything except what the United States says. We would like to give them a chance to start to do something. So all we did was to empower them during a period of five years to levy certain export taxes. I think that is the most important part of the whole matter; and, in my view of their financial situation, they will be able to get independence.

I did favor the plebiscite, for the reason I stated on the floor. I favored it because I want them, not us, to determine whether they shall be cast off.

As to the time when that vote shall be taken, as I have said before, I am not so particular. As the bill is now framed, we say to the people of the Philippines, "We put you on notice that when this vote comes off you are not only voting as to whether or not you approve of the proposed constitution, but you are also determining, under a constitution that you may adopt at the period stated in the bill which provides for absolute independence, whether or not you want that absolute independence."

As was said by the Senator from Kentucky [Mr. BARKLEY], probably the amendment has not yet given the people of the islands the authority to act; but if that is the case, I have already suggested that the insertion of one or two words in section 4 would accomplish the desired result.

Mr. BYRNES. Mr. President, will the Senator from Louisiana yield to me for a moment in order that I may call the attention of the Senator from Nevada to a provision of the bill?

Mr. LONG. I yield.

Mr. BYRNES. It is unnecessary to make any other provision, for the reason that the concluding paragraph of the section to which the Senator refers, section 4, provides:

If a majority of the votes cast are against the constitution, the existing government of the Philippine Islands shall continue, without regard to the provisions of this act.

That means that we will be right back where we are; and, therefore, provision will have to be made for ordering another constitutional convention; and whenever that is done we can again provide that the ratification of the constitution by the people of the Philippine Islands shall be regarded as an expression of the views of the people of the islands as to independence. If the constitution is voted down by the people, the bill provides in the section to which I have referred that the government of the islands shall continue as before the passage of this bill.

Mr. PITTMAN. That is true enough; but it might be found, as was suggested by the Senator from Kentucky [Mr. BARKLEY], that a number of voters would say, "Yes; I like this constitution and I am going to vote for it, but I do not want the islands to be independent at that particular date." They may claim, as the Senator from Kentucky has claimed, that possibly the provisions are not sufficient. Now, if they vote for the constitution, they are voting for independence.

Take the case of a voter there who is for the constitution but against independence. How can he express himself?

Mr. BYRNES. The view of the Senator from Idaho [Mr. BORAH], as expressed by him a few minutes ago, was complete enough for me that whenever the people ratify the constitution under which they want to live, it is sufficient expression of the views of the people as to their desire for independence.

Mr. BARKLEY. Mr. President, will the Senator yield right there?

The PRESIDING OFFICER (Mr. Fess in the Chair). Does the Senator from Louisiana yield to the Senator from Kentucky?

Mr. LONG. Yes.

Mr. BARKLEY. Take the converse of the situation. Suppose the case of any number of voters who are enthusiastic for independence but who do not like the constitution that has been submitted to them, under which they will have to live if they adopt it.

Mr. ROBINSON of Arkansas. Mr. President, may I interrupt the Senator?

Mr. BARKLEY. Yes.

Mr. LONG. I yield.

Mr. ROBINSON of Arkansas. If they reject the constitution, they do not get independence. The adoption of the constitution proposed here is the condition upon which they may have independence. That, in my judgment, is a complete answer to all that has been said to the effect that it is necessary to separate the two. Unless we change the bill in that particular, if they reject the constitution they can not proceed with independence.

Mr. BARKLEY. In other words, they have to accept whatever constitution is handed them, or get no independence.

Mr. ROBINSON of Arkansas. Yes; that is entirely true under the bill.

Mr. BARKLEY. It seems to me it might be possible to arrange the matter so that, although they want independence, and so express themselves, they would have some discretion in the making of a constitution under which they would live.

Mr. ROBINSON of Arkansas. The whole legislation in both Houses has proceeded upon the theory that, in order to obtain independence, they must ratify the proposed constitution. They can, of course, subsequently modify their constitution.

Mr. LONG. That is the way statehood is acquired when a State is taken into the Union.

Mr. ROBINSON of Arkansas. Certainly.

Mr. LONG. We are not proceeding any differently in this case. A constitution is set up, upon which they vote.

Mr. ROBINSON of Arkansas. It would be impossible to pass any Philippine bill leaving constitutional provisions entirely unsettled at the option of varying influences in the islands. It is necessary to have a constitution to begin with. The opportunity for changing their government will exist after they have adopted it and acquired their independence.

Mr. PITTMAN. Mr. President, there is just one word more that I should like to say.

After visiting the Philippine Islands, I have been so absolutely confident that 90 per cent of the people would vote for independence either to-day, to-morrow, or 18 years from now; that the matter was not one of material importance to me. The amendment is satisfactory to me; and I have only suggested that if anybody wants to submit the two questions, one sentence can be put in the bill and settle it.

Mr. LONG. Mr. President, it is an immaterial proposition whether we amend section 4 or not, as I see it. I agree with the view of the Senator from Arkansas and the Senator from Idaho; but after we adopt the amendment of the Senator from South Carolina, if anyone wants to go forward and add another word or two in section 4, that will not hurt anybody, and I do not think it will detract from or add to the matter. So, now, in order to get the question settled—

Mr. BYRNES. I ask for a vote on the amendment.

Mr. COSTIGAN. Mr. President, will the Senator yield to me?

The PRESIDING OFFICER. Does the Senator from Louisiana yield to the Senator from Colorado?

Mr. LONG. Yes, sir; I yield.

Mr. COSTIGAN. Much was said yesterday about a compromise. I wish the RECORD to state that I have not been a party to any compromise on the pending legislation.

The PRESIDING OFFICER. Does the Senator from Louisiana withdraw his motion for reconsideration?

Mr. LONG. Without prejudice, if that is possible.

The PRESIDING OFFICER. Without objection, the Senator from Louisiana withdraws his motion for reconsideration. The question now is on the amendment offered by the Senator from South Carolina to the amendment.

Mr. PITTMAN. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator will state it.

Mr. PITTMAN. Did the Senator from Louisiana enter notice of a motion under the rule, or has he made his motion? If he has made his motion, it is essential to withdraw it. If he has not made his motion, he can withhold it.

The PRESIDING OFFICER. The Chair understood the Senator had made the motion.

Mr. LONG. I understood that I had given notice; but I argued that out this morning with the Parliamentarian. My understanding was that I gave notice of a motion; but if the Chair rules that I did make the motion, then, without prejudice, I withdraw it, which I have done now, if that is necessary.

So now, without prejudice, I withdraw the motion, so that we can take a vote; and I ask for a vote on the amendment of the Senator from South Carolina.

The PRESIDING OFFICER. The present occupant of the chair understood from the Vice President that the Senator had made the motion.

Mr. LONG. I do not think I had; but it does not make any difference.

The PRESIDING OFFICER. Without objection, the Senator from Louisiana withdraws his motion for reconsideration. That has to be done by leave of the Senate. Without objection, the Senator withdraws his motion; and the question is on the amendment offered by the Senator from South Carolina [Mr. BYRNES] to the amendment.

Mr. LA FOLLETTE. Mr. President, in view of the fact that apparently there is not going to be a record vote on this amendment, I think the RECORD should show that the junior Senator from New Mexico [Mr. CUTTING], who has been so interested in this question, authorized me, in view of his indisposition this morning and inability therefore to be present, to pair him against the amendment offered by the Senator from South Carolina. He regards it as a proposal which defeats the ends sought to be achieved by the provision for a plebiscite which the bill now provides.

Mr. VANDENBERG. Mr. President, will the Senator yield for a question?

Mr. LA FOLLETTE. I yield.

Mr. VANDENBERG. Is the Senator able to say whether my paraphrase is correct when I quote the Senator from New Mexico as saying that he would consider this amendment as a fatality requiring the defeat of the bill, in his view?

Mr. LA FOLLETTE. No; the Senator is not correct in that statement, since the Senator from New Mexico informed me over the telephone this morning that if the amendment offered by the Senator from South Carolina should be adopted, which he hoped would not happen, he nevertheless would support the bill.

Mr. BINGHAM. Mr. President, I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Couzens	Hull	Reynolds
Austin	Dale	Kean	Robinson, Ark.
Bailey	Davis	Kendrick	Robinson, Ind.
Bankhead	Dickinson	Keyes	Schall
Barbour	Dill	King	Schuyler
Barkley	Fess	La Follette	Shipstead
Bingham	Frazier	Logan	Shortridge
Black	George	Long	Smith
Blaine	Glass	McGill	Smoot
Borah	Goldsborough	McKellar	Steiwer
Broussard	Gore	McNary	Trammell
Bulkley	Grammer	Metcalf	Tydings
Bulow	Hale	Moses	Vandenberg
Byrnes	Harrison	Neely	Wagner
Capper	Hastings	Norbeck	Walsh, Mass.
Carey	Hatfield	Nye	Walsh, Mont.
Cohen	Hawes	Oddie	Watson
Coolidge	Hayden	Patterson	White
Copeland	Hebert	Pittman	
Costigan	Howell	Reed	

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained from the Senate in attendance upon the funeral of the late Representative Garrett, of Texas.

The PRESIDING OFFICER. Seventy-eight Senators have answered to their names. A quorum is present.

Mr. BINGHAM. Mr. President, on yesterday the Senate rejected an amendment offered by the Senator from South Carolina [Mr. BYRNES] which would have done away with the plebiscite at the end of the period of experimentation. To-day we are offered a compromise which would have the plebiscite held as soon as the constitutional convention could do its work, which might be within a year or so; and the plebiscite would become effective at the end of 12 years thereafter. The disadvantages would be exactly the same as those which would occur under the amendment offered by the Senator from South Carolina yesterday.

Mr. President, this is called a compromise. As a compromise it is in line with that celebrated compromise achieved by the distinguished citizen who wanted to spend a vacation in the mountains and his wife wanted to spend the vacation at the seashore. They compromised and went to the seashore.

Mr. LA FOLLETTE. Mr. President, I hope the pending amendment will be rejected. If a majority of the Senate wishes to strike the plebiscite provision from this bill, then do so. The proposal contained in the amendment offered by the Senator from South Carolina, however, is absolutely indefensible.

I ask Senators to envision what would be the situation confronting a citizen of the Philippine Islands in voting upon the question of whether or not he desired to ratify the constitution submitted by the proposed constitutional convention. If he is in favor of independence of the islands from the United States, he then must vote for any kind of a constitution, regardless of whether he thinks it is for the welfare of his country or not, in order to express his desire for independence. To put the people of the Philippine Islands in that position would be indefensible.

If the Senate does not desire that the people of the Philippines should have a plebiscite, let them accomplish it directly by striking the provision from the bill. But let us not be a party to forcing the people of the Philippine Islands to accept perchance a constitution which would violate the entire conception of the type of government which they wished to see set up in the islands in order that they may achieve their desire for independence.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the junior Senator from South Carolina [Mr. BYRNES] to the committee amendment.

Mr. MOSES, Mr. McKELLAR, and others demanded the yeas and nays.

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BULOW (when his name was called). On this question I have a pair with the junior Senator from Connecticut [Mr. WALCOTT], and in his absence I withhold my vote.

Mr. COPELAND (when his name was called). Present.

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). I desire to announce that the junior Senator from New Mexico [Mr. CUTTING] is detained by a slight illness. If he were present, he would vote "nay."

Mr. HEBERT (when his name was called). Again announcing my pair with the senior Senator from Florida [Mr. FLETCHER], I find I can transfer that pair to the junior Senator from New Mexico [Mr. CUTTING], and I do so, and vote "nay."

Mr. ROBINSON of Indiana. I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence I withhold my vote. If at liberty to vote, I would vote "yea."

Mr. SCHALL (when his name was called). I have a pair with the senior Senator from New Mexico [Mr. BRATTON], and in his absence I withhold my vote. If I were at liberty to vote, I would vote "yea."

Mr. SHORTRIDGE (when his name was called). Announcing my general pair with the junior Senator from Texas [Mr. CONNALLY], not advised presently as to how he would vote on this immediate question, I am not at liberty to vote, which I regret. If I could vote, I would vote "yea."

The roll call was concluded.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from New Hampshire [Mr. KEYES] with the Senator from Arkansas [Mrs. CARAWAY].

Mr. BORAH. I desire to announce the absence of my colleague [Mr. THOMAS] on account of illness. He is paired with the junior Senator from Montana [Mr. WHEELER]. If my colleague were present and voting, he would vote "yea."

Mr. HULL (after having voted in the affirmative). I find I have a general pair with the senior Senator from Iowa [Mr. BROOKHART], and in his absence I withdraw my vote.

Mr. McKELLAR. I have a pair with the Senator from Delaware [Mr. TOWNSEND] which I transfer to the Senator from Texas [Mr. SHEPPARD], and vote "yea."

Mr. ROBINSON of Arkansas. I desire to announce that my colleague [Mrs. CARAWAY] is detained from the Senate by illness.

I also wish to announce that the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], and the senior Senator from New Mexico [Mr. BRATTON] are detained attending the funeral of the late Representative Garrett, of Texas, and that the Senator from Illinois [Mr. LEWIS] and the Senator from Virginia [Mr. SWANSON] are detained on official business.

The result was announced—yeas 44, nays 29, as follows:

YEAS—44

Austin	Coolidge	Hayden	Oddie
Bailey	Costigan	Howell	Reynolds
Bankhead	Couzens	Kendrick	Robinson, Ark.
Black	Dickinson	King	Schuyler
Borah	Dill	Long	Shipstead
Broussard	Fess	McGill	Smith
Bulkley	Frazier	McKellar	Smoot
Byrnes	George	McNary	Thomas, Okla.
Capper	Glass	Neely	Trammell
Carey	Harrison	Norbeck	Tydings
Cohen	Hatfield	Nye	Walsh, Mont.

NAYS—29

Ashurst	Gore	La Follette	Vandenberg
Barbour	Grammer	Logan	Wagner
Barkley	Hale	Metcalf	Walsh, Mass.
Bingham	Hastings	Moses	Watson
Blaine	Hawes	Patterson	White
Dale	Hebert	Pittman	
Davis	Johnson	Reed	
Goldsborough	Kean	Steiwer	

NOT VOTING—23

Bratton	Cutting	Norris	Swanson
Brookhart	Fletcher	Robinson, Ind.	Thomas, Idaho
Bulow	Glenn	Schall	Townsend
Caraway	Hull	Sheppard	Walcott
Connally	Keyes	Shortridge	Wheeler
Copeland	Lewis	Stephens	

So Mr. BYRNES's amendment to the amendment was agreed to.

Mr. VANDENBERG. Mr. President, while the Senate is still considering this particular phase of the bill, I think perhaps it would be the most useful time for me to take the Senate's judgment on the philosophy of my substitute, which is lying on the desk.

This substitute had two fundamental differences from the procedure contemplated under the pending bill. One difference related to the trade relationship. That difference has been so completely canvassed by the Senate that it seems to me it would be a futility to revert to it.

The other difference dealt solely with the proposition that the Government of the United States has no right to extend itself into responsibilities in the Orient without adequate authority to defend that responsibility.

It occurs to me that the surest, cleanest-cut way in which I can take the Senate's judgment on this latter point is not to call up the substitute, but to offer a motion to recommit with instructions.

Therefore, Mr. President, after briefly indicating to the Senate the very deep conviction with which I submit this proposition to the Senate's consideration, I shall offer a motion to recommit with instructions.

Mr. DICKINSON. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. DICKINSON. I have three perfecting amendments which I would like to offer to the pending bill before the motion is made to recommit the bill to the committee, or before the substitute offered by the Senator from Michigan is voted upon. My reason for that statement is that it is my understanding of the rule of the Senate that perfecting amendments should be taken up before the substitute is voted on.

Mr. VANDENBERG. Mr. President, I am asking to withdraw the substitute, as I have already indicated, and in lieu thereof I propose to offer a motion to recommit, which I understand is in order at any time.

I do not care to repeat the thesis which I laid at the bar of the Senate upon Monday, but nothing has happened in the course of this debate—and I say this with great respect for the answer submitted by the able senior Senator from Nevada [Mr. PITTMAN] to my argument of last Monday—nothing has been submitted in this debate to change in any degree the challenge in this situation, as I see it. On the contrary, the action the Senate has just taken in establishing the native plebiscite at the beginning of the 12 or 14 year period instead of at the end emphasizes and aggravates the hazard and the jeopardy involved in the situation which we are asked to accept.

I am referring to the fact that we propose to permit the creation of a native constitution, the erection of a native state, under conclusive mandate that it is a finality, at the beginning of a 12 or 14 year period, and thereafter we propose to leave the Government of the United States responsible for all of the developments, good, bad, or indifferent, dangerous or otherwise, which may flow from this 12 or 14 year experiment.

Not only that, but in view of the fact that we have now put the plebiscite at the beginning instead of the end of the 14-year period, we have left no opportunity whatever, in the event that native Philippine sentiment decides in the course of 8 or 10 years of experience that the experiment is not satisfactory, for them to express themselves in any way whatever against the culmination of the independence era except by a revolt which shall precipitate intervention under subsection (n) of the bill.

Mr. ROBINSON of Arkansas. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. VANDENBERG. Certainly.

Mr. ROBINSON of Arkansas. Many of us for many years have been committed as a political proposition to the independence of the Filipinos. The Senator well knows that almost every Democratic platform which has been adopted during the last 30 years has declared in favor of Philippine independence. At one time while the Democrats were in control of the Senate a resolution for Philippine independence was passed in this body. It failed of action in the body at the other end of the Capitol.

In view of that fact, why should Senators who believe in independence be expected to contribute to experimentation? We believe, or at least avow we believe, that independence is a right of all peoples who are capable of self-government. We do not believe that we can experiment 1 year or 2 years or 5 years and then, if the people get weary of it, pass it off and permit them to assume the situation suggested.

As a parallel to the Senator's question, let me ask him if, after independence is established, the Philippine people should grow weary of independence and should seek to come back into the United States and take a position under the flag of the United States, the Senator would then say they should be permitted to pass upon that question, to vote independence to-day and subjection to-morrow just as

their public opinion might change, as it might be influenced by economic and other causes?

Mr. VANDENBERG. I am very happy to answer the Senator's question.

Mr. ROBINSON of Arkansas. I hope I have made my position clear.

Mr. VANDENBERG. I think it is.

Mr. ROBINSON of Arkansas. Philippine independence is a matter of right and not a mere matter of experimentation. The limitation we impose at the time is to assure that opportunity will be given for the fair enjoyment of the right when it is granted.

Mr. VANDENBERG. I agree with the able Senator from Arkansas. First, that Philippine independence is a right; second, that we are irrevocably committed to it; third, that we should proceed to that objective as speedily as is practical and safe. Here is the difference between us, I suspect: I contend that there are only two logical methods to implement this philosophy upon which the Senator and I agree.

The first philosophy is the philosophy of a period of economic preparation ahead of the actual severance of relationships, and it is upon that theory that the pending bill is built. The other theory and the only other logical theory would be immediate independence with a postindependence period of economic readjustment. In other words, the first philosophy is the philosophy of a preindependence period of economic preparation and the other philosophy is a period of postindependence preparation for complete economic severance of our relationships.

I contend that the first philosophy must proceed under complete unadulterated American sovereignty so long as we continue to pretend to be the sovereign power in the Philippines, and it is that proposition which is violated by the pending bill, as I intend to try to show. I am perfectly willing, Mr. President—and I invite the attention of the Senator from Arkansas to this—to give the Philippines their complete independence in two years with a graduated reduction subsequent thereto in respect to their right of import entry into our free markets. In that event, however, I invite the attention of the Senator—they are proceeding under their own flag, they are on their own responsibility as they proceed, and we are not the sovereign responsible power for what happens. In other words, there is a consistent theory.

On the other hand, under the pending bill, say what you please about the efforts that have been made to put saving clauses into the native constitution as recited by the able Senator from Nevada [Mr. PITTMAN] the other day, say what you please upon that proposition, the sovereign responsibility remains in the United States and an opportunity to violate that sovereignty is inherent in every administrative branch of this native commonwealth which we are about to set up. It is to that proposition that I take exception. It is that proposition which violates both of the fundamental policies between which I ask the Senate to choose.

Mr. HAWES. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Missouri?

Mr. VANDENBERG. I yield.

Mr. HAWES. I was very much interested in the suggestion of the Senator from Michigan that we give independence to the Philippines in two years and then follow that by a period of readjustment. But the Senator from Utah [Mr. KING] and others have investigated that question and, unfortunately, it can not be done under the law. When we grant independence in one or two years the whole question is settled and we can not then control our relationship with the islands after that period, so that the proposition of the Senator is clearly out of the picture.

Mr. VANDENBERG. I entirely disagree with the Senator from Missouri. We are entitled to control our Philippine relations to the end of those relations. The only possible question involved in that proposition, and I supposed it was the one the Senator was going to raise, is the possibility that such a postindependence relationship would violate

our favored-nation treaty clauses in respect of the tariff. I do not want to quote any Senators on this floor whom I am not entitled to quote specifically, but I want to say that I have discussed the subject within the last 48 hours with at least one Senator whom I consider to be as complete authority on the subject as is available, and he agrees with me that under the circumstances in which this arrangement would arise it would be possible for us to proceed upon this basis without violating our favored-nation obligations.

Mr. SHORTTRIDGE. Mr. President, may I ask the Senator a question?

Mr. VANDENBERG. Certainly.

Mr. SHORTTRIDGE. Would that be under the treaty-making power of the Constitution?

Mr. VANDENBERG. It would, in part.

Mr. SHORTTRIDGE. How can we treat with a people immediately under our own sovereignty?

Mr. VANDENBERG. It would be subsequently under the treaty power. At the immediate moment it would be part of the inherent organic act under which we are proposing to separate these two units of government. As such, and as a part of this present action, we would not violate the favored-nation clause. But that is a question supplementary to the immediate issue I am bringing to the Senate bar. I am about to move to recommit the bill with instructions to report back to the Senate not later than December 20, which is next Tuesday—and I emphasize that fact because I want to make it plain that I have no interest in postponing decisive action in connection with the legislation—to recommit with instructions to rewrite the bill solely in respect of the time when the constitution shall be established. My motion solely raises the question in respect to the proposition that so long as we are in the Philippine Islands as sovereign we should be sovereign in fact as well as name, and that our flag shall not be, well, let us say at sort of half mast. I want to prove that that would be the case.

Mr. HAWES. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield for a question. I would like to continue my argument. Does the Senator desire to ask a question?

Mr. HAWES. No. I thought the Senator had yielded the floor.

Mr. VANDENBERG. No; I have not yielded the floor.

Mr. SHORTTRIDGE. Mr. President, may I ask the Senator a question?

The PRESIDING OFFICER (Mr. FRAZIER in the chair). Does the Senator from Michigan yield for that purpose?

Mr. VANDENBERG. I yield for a question.

Mr. SHORTTRIDGE. Does the Senator believe in giving independence to the Filipino people?

Mr. VANDENBERG. I certainly do.

Mr. SHORTTRIDGE. When?

Mr. VANDENBERG. Dependent entirely upon which philosophy we follow. If we want to follow the philosophy of immediate and absolute independence, I am for that theory, provided we are consistent. If we want to follow the other theory, the theory of the bill, to wit, the theory of preindependence period of preparation, I insist we must be consistent in that theory also, and that we are not consistent so long as we leave the American flag up, so long as we retain American responsibility in the Orient without adequate American authority to defend that flag and that responsibility against untoward hazard. That is the proposition to which I wish to address myself.

Mr. SHORTTRIDGE. I think I understand the Senator's position now.

Mr. VANDENBERG. I hope so.

Mr. SHORTTRIDGE. I have striven to understand it.

Mr. VANDENBERG. Mr. President, we are yielding up under the terms of the bill practically every administrative control of events in the Philippine Islands during the next 12 or 14 or 15 years when this process of experimentation to which the Senator from Arkansas referred is proceeding. We have not escaped experimentation by the passage of the bill. There is just as much experimentation left, using the

words of the senior Senator from Arkansas [Mr. ROBINSON], as there could be in any bill. I object to the fact that this experimentation proceeds outside of and beyond our power and authority to defend it against implications which could involve the United States of America in desperate oriental hazards.

The Senator from Nevada [Mr. PITTMAN], responding to my thesis the other day, quoted numerous sections from the bill which require certain mandatory provisions to be inserted in the constitution of the new Philippine government. I want to give some attention to those briefly and I submit as I do so that not one of those provisions touches the fundamental question of law and order in the Philippines, law and order for which we are specifically committed in responsibility, but to which we have no opportunity whatever to give the slightest direction until such a moment as major trouble has actually broken and we are called in to liquidate it.

The Senator from Nevada called attention to the fact that the native constitution of the Philippine Commonwealth requires certain oaths of allegiance to be taken. Very good. It has no bearing whatever upon the direct fact that that oath of allegiance does not necessarily validate itself. There has to be an authority behind it when there is a challenge to it.

The Senator from Nevada pointed out the fact that property owned by the United States, and so forth, must continue to be exempt from taxation under the requirements of the constitution. That is entirely beside the point which I am making.

Mr. PITTMAN. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Nevada?

Mr. VANDENBERG. I yield.

Mr. PITTMAN. I invite the Senator's attention to this requirement in the mandatory provisions of the constitution. I invite his attention to this provision in the mandatory constitution giving our Government until the period of freedom power to prevent disorder. Let me read it:

(1) The Philippine Islands recognizes the right of the United States to expropriate property for public uses, to maintain military and other reservations and armed forces in the Philippines, and, upon order of the President, to call into the service of such armed forces all military forces organized by the Philippine government.

Mr. VANDENBERG. I am coming to that section in just a moment. I am trying first to catch up with the Senator in his previous address. The Senator pointed out, responding to my charge that this involves responsibility without authority, that the native constitution must permit the President of the United States to approve legislation affecting currency, coinage, imports, exports, and so forth. I am not worried about coinage or currency or imports or exports, Mr. President; I am not worried about any phase of the material situation; I am worried about the fact, for example, that in the last 90 days there has been an incipient religious revolution on a small scale in one of the southern Philippine provinces. I am worried about the fact that one of the leading Manila newspapers, which has constantly, in season and out, advocated complete and early independence, the editor of which has been a member of most of the independence missions that have come to this country heretofore—I am worried about the fact that he himself, in his own journal, now points to the fact that, although this was but an incipient and casual sort of a trouble in the island of Jolo, even this incipient and casual outlawry was almost beyond the control of the forces at Manila; and I am pointing out that I think he is utterly justified when he expresses his opinion, in his own journal, that this ought to be a warning not only to us but to the Filipinos that there may well be a law and order situation which can not be controlled under their own auspices. If anything of that sort is to eventuate, Mr. President, I submit that the control of the American Government must continue to be constant and intimate from the very moment when the trouble starts so that we may get a fair chance to control it before it

becomes a major crisis, precisely as the Governor General went to the island of Jolo and ultimately controlled the situation to which I have adverted before it had become a major crisis. I object, Mr. President, to an arrangement under which we are not recalled to our contract and our responsibility to meet that sort of a hazard until after the hazard has graduated into a major crisis, when God only knows what effort and cost may be involved in meeting it.

Mr. PITTMAN. Mr. President, this was an incipient trouble in a particular locality. I will ask the Senator whether the incipient trouble was not put down by the local Philippine police force?

Mr. VANDENBERG. Has the Senator concluded his question?

Mr. PITTMAN. That is the first question I wish to ask.

Mr. VANDENBERG. The answer is, yes; under the direction of the Governor General, but in a fashion which caused Mr. Carlos P. Romulo, editor of the Manila Tribune, to say, drawing his analogy from this particular instance, the following:

An independent Philippine government may have to live on less than half its present revenue. That would mean the reduction of the activities of our constabulary force to the lowest possible minimum. It would mean the placing of our peace and order in a state of constant jeopardy.

Furthermore, he insists that out of this instance, quoting:

It gives us—

The Filipinos—

a foretaste of what may happen in the future.

Mr. PITTMAN. Now, one other question. Has the Senator noticed subdivision (n)?

Mr. VANDENBERG. Yes; I am coming to that.

Mr. PITTMAN. Would the Senator let me read it?

Mr. VANDENBERG. No; I will read it myself. I want to spend a little time on it.

Mr. PITTMAN. Very well.

Mr. VANDENBERG. I wish the Senator would permit me to pursue his previous speech seriatim. That is what I am attempting to do.

Mr. PITTMAN. The Senator from Michigan was speaking, however, of the impossibility of preserving law and order under this constitution.

Mr. VANDENBERG. Yes; I am coming to that.

Mr. PITTMAN. And was stating that the United States was excluded, when, as a matter of fact, it is included.

Mr. VANDENBERG. I deny that construction.

Mr. WALSH of Massachusetts. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Massachusetts?

Mr. VANDENBERG. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. Does the Manila Tribune advocate independence for the Filipinos?

Mr. VANDENBERG. It has always been one of the leading journals advocating independence for the Filipinos. I repeat, for the information of the Senator from Massachusetts, that its editor usually has been a member of the independence missions that have come to this country from the Philippine Islands.

Mr. SHORTRIDGE. Has he changed his view?

Mr. VANDENBERG. The Senator from California asks me if he has changed his view. I am unable to answer categorically. I give the Senator the quotation to which I have just adverted, and the Senator will have to draw his own conclusions. Apparently the editor of this native journal has come to the conclusion, based upon this recent experience, that perhaps these new natives' latitudes are going to be dangerous, perhaps the native resources are going to be unequal to the responsibility of meeting these situations. Not only the type of a situation which was involved in this particular disturbance, which seemed to have its source in the Mohammedan-Christian divergence of thought, but also to the possibility of trouble from what he calls "demagogue-led farmers" when they discover that the new arrangement is curtailing their opportunities for a happy

livelihood. I submit, if it has come to be a matter of warning over there, we may well consider it as a matter of warning over here.

The Senator from Nevada in his previous address, attempting to answer the point I have raised, quoted numerous other sections of the native constitution, all of which, with one exception—and I will not take the time of the Senate to enumerate them all—related to material considerations, such as coinage, currency, property rights, debts, and so forth. I am not discussing that sort of a situation, Mr. President. I am discussing our fundamental responsibility for law and order and republican institutions in the Philippine Islands during a period of 12 or 14 years with what I contend to be an utterly inadequate authority to answer that responsibility. I contend that this proposed legislation is a virtual commitment to an unknown, undisclosed responsibility in a section of the world which is utterly chaotic and treacherous at best, where we are finding it sufficiently difficult to maintain a safe course when we are in complete control of every step of our procedure. I am contending that this is an arrangement which commits us to unliquidated responsibilities in that treacherous, chaotic forum, responsibilities which we can not competently handle, because, even under subsection (n) to which the Senator from Nevada refers, there is no opportunity for us to inject our authority until the trouble has graduated into a major climax.

The Senator from Nevada wants me to read subsection (n), and I am very happy to do so because, Mr. President, I submit that the very existence of subsection (n) is a bald confession that all in the world we have got left is the right of intervention after trouble has become a major catastrophe. I will read subsection (n):

The United States may exercise the right to intervene—

I call attention to the language of the clause. They do not even recognize our right to intervene as a right. The implication is that it is a mere permission—

for the preservation of the government of the Commonwealth of the Philippine Islands and for the maintenance of the government as provided in their constitution, and for the protection of life, property, and individual liberty, and for the discharge of government obligations under and in accordance with the provisions of their constitution.

Mr. ROBINSON of Arkansas. Mr. President—

The PRESIDING OFFICER. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. VANDENBERG. I yield.

Mr. ROBINSON of Arkansas. The Senator has made a point of the use of the word "may" instead of the word "shall." Does not the term "may" give the option to the United States to intervene, and would not the word "shall" compel or obligate the United States to intervene? In other words, the language the Senator has quoted gives the United States the power to intervene if it chooses to do so?

Mr. VANDENBERG. I wonder if that is not a typical demonstration of the difference between us in our construction of this proposal? Yes; the language says we "may" intervene instead of "shall" intervene, which would indicate an option; but I submit to the Senator that if any of these untoward events shall happen, namely, if life, property, and individual liberty shall cease to be protected during the course of this experiment, we do not have an option. So long as our flag is up over this Commonwealth, and so long as the sovereignty is specifically inherent in us, we do not have an option as to whether we shall intervene or not, but we must intervene. Therefore, when the language in the bill pretends to extend an option, I submit to the Senator that in effect it dilutes our authority, whereas the very thing for which I am contending is that we would have sufficient authority so long as the flag is up.

Mr. ROBINSON of Arkansas. Mr. President—

Mr. VANDENBERG. I yield to the Senator.

Mr. ROBINSON of Arkansas. With the Senator's permission, I merely wish to say that I am utterly unable to comprehend his viewpoint in that particular. The Senator is usually very clear and forceful in his explanations. I would not wish to oblige the United States to intervene in

the affairs of the Philippines every time some one might suggest that we do so. I should like to have my Government left free to exercise its judgment in the matter, and that is what I think the language does.

Mr. VANDENBERG. May I ask the Senator a question? Mr. ROBINSON of Arkansas. Certainly.

Mr. VANDENBERG. Does the Senator consider if life, property, and individual liberty shall fall into jeopardy in the Philippine Commonwealth so long as it is under the American flag, that there could be any possible avoidance of our intervention in view of this legislation?

Mr. ROBINSON of Arkansas. Absolutely, Mr. President. Life, property, and individual liberty are jeopardized in the United States every day, notwithstanding our Constitution and our laws. I would not like to obligate the United States to intervene in Philippine affairs every time somebody's life was threatened, every time a burglary was imminent, every time a violation of law was threatened. I should like the Government of the United States to have the power which is implied in the language that the Senator has criticized, to intervene when it found it necessary to do so, and to refrain from intervention when it did not find it necessary to intervene.

Mr. VANDENBERG. May I ask the Senator a further question? I am sure he would not wittingly misconstrue the position I am submitting to the Senate.

I am not discussing a few murders and a few burglaries, as the Senator's paraphrase might have indicated. I am discussing a jeopardy to life, liberty, and independence which goes to the extent, as defined in subsection (n), of threatening the existence of the government of the commonwealth as provided in their constitution.

If that sort of a threat should arise, would not the Senator frankly concede to me that not only under the terms of this contract but under the general implication of our continued sovereignty there would be no escape from our intervention?

Mr. ROBINSON of Arkansas. By no means—by no means. I can conceive of a condition, and so can the Senator if he will exercise his very great talents and think upon the subject without reference to his biased viewpoint, in which a threat might be made which would not involve a necessity of intervention on the part of the United States. I can think of no condition under which the obligation to intervene really devolved upon this Government in which it would not be exercised under the language employed.

Mr. VANDENBERG. Mr. President, my able friend refers to my "biased viewpoint," and I suppose implies that he is entirely free from any such constraint. Having thus discovered wisdom from an unbiased source, perhaps I should yield to it; but the fact remains that he fails to impress me in any degree with his proposition.

So long as the American flag is flying over the Philippine Islands during these 12 or 14 years, I can not conceive that we are not responsible—and that responsibility must express itself in case of major hazard in the form of an intervention—I can not conceive that we are not absolutely responsible in the net result for the safety and the perpetuity of the entire adventure until we have left the islands. I contend that subsection (n) is a paraphrase of the Platt amendment in the Cuban constitution, under which and by direct analogy we were forced to return to Cuba in precisely the same fashion; and I contend that our responsibility under this legislation is infinitely more intimate and imminent than it is even under the Platt amendment.

Mr. ROBINSON of Arkansas. Mr. President, will the Senator yield?

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Arkansas?

Mr. VANDENBERG. I do.

Mr. ROBINSON of Arkansas. I thank the Senator for yielding. Perhaps there is bias or prejudice on both sides of the case; and it is not profitable to pursue that.

Mr. VANDENBERG. I am sure it is.

Mr. ROBINSON of Arkansas. But, Mr. President, I do not think the bill is subject to the criticism that the Senator

is making, in that he would have it changed so as to require the United States to intervene in Philippine affairs whenever there is a threat of the loss of life, property, or liberty. I think, necessarily, the United States must exercise its own discretion about that, and I think its course will be the same whether we employ the word "may" or "shall"; and with that observation I shall not interrupt the Senator further.

Mr. VANDENBERG. Mr. President, I make no point with emphasis respecting the verb that is used, though it occurred to me that the verb might have some significance. We will omit all consideration of the verb. We will consider the mere physical fact that here is a commonwealth that simulates independence. It simulates it so completely that we have deliberately foreclosed even the right of the American High Commissioner to live in Malacanang Palace, which is the symbol of authority in the Philippine Islands. I contend that this creates at least a paraphrase of complete independence in the Philippine Islands, and that in the vast majority of its 13,000,000 minds that will be the construction put upon it. But the paradox is that so long as that situation persists—namely, until our flag and our sovereignty are permanently and completely withdrawn—we can not escape the implication of responsibility for what happens as the result of the actions of a people substantially beyond our control.

Mr. WALSH of Massachusetts. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from Massachusetts?

Mr. VANDENBERG. I yield to the Senator from Massachusetts.

Mr. WALSH of Massachusetts. Is this intervention clause similar to the intervention clause of the treaty of independence with Cuba?

Mr. VANDENBERG. I will say to the Senator that I have not compared it. Certainly, the purport is the same.

Mr. WALSH of Massachusetts. In substance, it is. The intervention clause in the case of Cuba is operative as against an independent government, is it not?

Mr. VANDENBERG. That is correct.

Mr. WALSH of Massachusetts. While this intervention clause does not seek to be operative after the Philippine Islands obtain their independence?

Mr. VANDENBERG. That is entirely correct.

Mr. WALSH of Massachusetts. It is only to be operative during the period of time of the constitutional government, and up to the time we withdraw?

Mr. VANDENBERG. Precisely; and that is the very point I am undertaking to make as indicating that there is an even more intimate responsibility in subsection (n) than there is in the Platt amendment to the Cuban constitution. The Platt amendment represents an external obligation on our part, whereas subsection (n) represents an internal obligation and therefore one which is infinitely more constant and continuous and irresistible and entangling.

Mr. SHORTRIDGE. Mr. President—

The VICE PRESIDENT. Does the Senator from Michigan yield to the Senator from California?

Mr. VANDENBERG. I yield to the Senator from California.

Mr. SHORTRIDGE. I understand the position of the Senator to be that our responsibility continues during this transition period.

Mr. VANDENBERG. Inevitably.

Mr. SHORTRIDGE. Then subsection (n) can not deprive us of that continuing power and responsibility; can it?

Mr. VANDENBERG. Oh, Mr. President, I am not contending that subsection (n) subtracts anything from our power. I am saying that it illuminates and demonstrates the proposition that we are responsible. That is the only point I am trying to make. I contend that we do not have enough power in the face of this responsibility.

Mr. SHORTRIDGE. Well, let that be granted.

Mr. VANDENBERG. If it is granted, does the Senator say that he would permit American responsibility in the Orient to be handled by an alien proxy?

Mr. SHORTRIDGE. Certainly not.

Mr. VANDENBERG. That is precisely what the Senator is doing under the terms of this bill.

Mr. SHORTRIDGE. With great respect for the Senator, I construe this section as the Senator from Arkansas indicates.

Mr. VANDENBERG. I hope the Senator will construe the entire bill.

Mr. SHORTRIDGE. But the Senator is addressing himself to that particular section for the moment.

Mr. VANDENBERG. I am addressing myself to that particular section because I think it illuminates my general point of view.

Mr. SHORTRIDGE. Precisely; but if it can not add to nor take from the power and the accompanying responsibility of the United States, then may it not be cast out from consideration?

Mr. VANDENBERG. No, Mr. President; because it deals in illuminating fashion with the point I am trying to make, and that the Senator from California himself has conceded—to wit, the existence of a responsibility upon us which we can not shake off. Paralleling that responsibility is a constantly depleted authority under which we may be unable to protect that responsibility against untoward hazards.

I will illustrate to the Senator what I mean by reverting to the example which I recently used respecting an incipient trouble in the island of Jolo.

Why was it only incipient? Why was it that it cost only 25 or 50 lives? It was because an American authority, the Governor General of the Philippine Islands, exemplifying inevitably a powerful force, personally visited the situation, composed it through his direction of the Philippine constabulary, and there was no progressive difficulty. Under this bill we shall have no such opportunity to deal with trouble when and where it starts; yet we are responsible for it when it comes to crisis.

I submit to the Senator that the time to stop trouble of that sort is when it starts; and I submit to the Senator that every moment of the 12 or 14 years when the Philippine Commonwealth is in existence under our flag, but under its own complete administrative control, we are dependent upon them for what shall be done in meeting these incipient troubles; and we do not have an opportunity to serve our responsibility until trouble has gone out of the control of the native authorities in the Philippine Commonwealth. It is that to which I object, Mr. President. We are the residuary legatees of disaster.

Mr. SHORTRIDGE. Exactly, Mr. President; but will the Senator permit me to suggest that under the language of this section we may intervene. That does not necessarily mean that we shall remain silent until the trouble has developed as suggested. We may intervene when? When in our judgment it is necessary to preserve life, liberty, or to see to it that government obligations are observed.

Mr. VANDENBERG. All right. Then the Senator is now stating that we have an even more constant responsibility than the one which I have been undertaking to define, because he is now saying that we have to keep ourselves in intimate touch with all these local situations over there so that we can start to intervene any time we see anything which invites difficulty; and yet, on the other hand, we are foreclosed in these directions because we are supposed to have established a quasi-independent Commonwealth of the Philippine Islands. The Senator is demonstrating that this arrangement is a "nature fake," and nothing else.

Mr. SHORTRIDGE. Will the Senator permit this observation, and then I will not further interrupt?

The VICE PRESIDENT. Does the Senator from Michigan further yield to the Senator from California?

Mr. VANDENBERG. Yes; I yield to the Senator.

Mr. SHORTRIDGE. I am not stating my views, unless they be revealed by way of questions. I am trying to get at the views of the Senator, rather than to express my own, for the moment. I am suggesting, finally, in respect to this particular section, that it is not obligatory upon the part

of the United States to wait until some incipient trouble has grown into a major crisis before intervening or taking hold of the problem; that is all.

Mr. VANDENBERG. Mr. President, how long does the Senator think it would take for us to organize ourselves to express our intervention when we are ten or fifteen thousand miles away, and, as the Senator well knows, these difficulties in the Orient crack overnight, and a most casual circumstance may become a *casus belli* in 24 hours?

Mr. SHORTRIDGE. That is true in all nations.

Mr. VANDENBERG. It is particularly true in the Orient, as the Senator well knows.

Mr. SHORTRIDGE. That is why I want to have my country get out of the Orient and stay out.

Mr. VANDENBERG. Precisely; and in the present bill, instead of doing that, the Senator is leaving his country in the Orient, where for 14 years its destiny is at the mercy of any errors in administration, any errors in domestic relationships, which an amateur government of Malay citizens may happen to perpetuate. It is precisely the thing to which I object. It is the thing which it seems to me no American Congress can justify or support; and no matter what other provisions there might be in this bill that appeal to my sense of justice—and there are many—I will not vote for any legislation which subverts American responsibility under the American flag to some other people and some other race, leaving us only a residuary right to intervene after a major calamity is staring us in the face. Particularly, I will not do this in the tinder zones of the Far East.

That is the point and essence of the plea that I submit to the Senate.

Now, Mr. President, just one thing more.

The able Senator from Nevada [Mr. PITTMAN], in answering my other argument, points out that under the new arrangement we are to have a high commissioner in the Philippine Commonwealth. That is true. We are to have a high commissioner who can send reports over here to Washington whenever he has anything to report, who can not live in Malacanang, which is the symbol of Philippine authority, and who has not a single power now inherent in the Governor Generalship, which is the focus around which we organize our present authority in the Philippine Islands. We have a high commissioner who, in net result, is nothing more than an unofficial observer. He is about as useful as the fifth wheel on a wagon. He is the eloquent exemplification of our impotence to meet our responsibilities during these 12 or 14 years when the Filipinos are governing themselves under our absentee protectorate.

Now, let us see the difference between the high commissioner and the Governor General, because I am insisting that as long as the American flag is in the Philippine Islands there must be an American Governor General who shall exemplify and use the sovereign power necessary to sustain American Government responsibility, which we accept in this contract for a period of 12 or 14 years. Let us see the difference between a high commissioner and a governor general.

At the present time the Governor General recommends the budget, and the recommendation has a very high authority, and in that budget are the ways and means which sustain the forces of law and order. That is the initial step at which the adequacy of the forces for maintaining law and order is maintained. The high commissioner will have nothing whatever to do with the budget.

The Governor General to-day vetoes any law he pleases to veto and he can even veto any part of an appropriation measure. So long as the Governor General is in control, if there is any social legislation which may lead us squarely into the vortex of this oriental complex, the Governor General, representing American sovereignty, can stop it when it is born. The high commissioner can stop nothing. He has no power and no authority even remotely comparable with the responsibilities which we are asked to maintain under the American flag in the Orient.

The Governor General at the present time can remove department heads who are derelict. The high commissioner can remove nobody. He is little more than scenery.

The Governor General has final control over practically every executive department. That means administrative control. For example, he commands the constabulary, upon which domestic peace and order rest. What does the high commissioner command? He commands exactly nothing. He has not even the privilege of living in the seat of authority, in the capital of the islands. The constabulary is locally, domestically directed, and domestically led. That very fact of itself might well prove to be a challenge to trouble.

The powers which are now exercised by the Governor General, Mr. President, are the realities of authority, because, as every Senator knows, the final test of the reality of authority in a colonial situation is the administrative power, not the legislative power, and the administrative power, with almost no exception, completely passes to alien hands under the terms of this bill, while the American flag still stays up and America is responsible for the net result of any error, any hazard, any jeopardy, any cost that may be inflicted upon us as the result of the mismanagement of that domestic control during this period of 14 years.

Mr. WALSH of Massachusetts. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. WALSH of Massachusetts. Would the Senator retain the Governor General in the Philippine Islands after the constitution was adopted?

Mr. VANDENBERG. Evidently the Senator did not hear my initial statement. I am contending that the constitution should be adopted the last thing. That is my sole plea. I ask that the creation of the new native government be the last thing instead of the first thing in this attenuated adventure. Keep our flag up or take it down. But do not half-mast it.

Mr. WALSH of Massachusetts. That makes the Senator's position logical.

Mr. VANDENBERG. I can think of no other logical method of dealing with a preindependence period. I want to call the Senator's attention to this, lest there be any misinterpretation or misconstruction of my ultimate objective. I say that if one does not want to follow that theory, which is one of two logical courses in dealing with Philippine independence, then the other logical theory is to give them their independence immediately and provide a postindependence period of economic adjustment when they are under their own flag and out from under our responsibility.

Mr. WALSH of Massachusetts. I thank the Senator.

Mr. VANDENBERG. I am asking the Senate to choose one or the other of two logical courses, and not a hybrid course in between, which is neither one nor the other.

Mr. KING. Mr. President, will the Senator yield?

Mr. VANDENBERG. I yield.

Mr. KING. The argument which the able Senator is making, while many may not agree with it, is one which ought to be heard by all Senators. I shall not ask for a quorum; I merely rise, with the permission of the Senator, to express my appreciation of the very clear manner in which the Senator is indicating some of the difficulties, if not dangers, incident to the measure which has been thus far approved.

I entirely agree with the Senator that the Filipinos ought to have their independence, or they ought not to have it. If they are not to have it for 10 or 15 or 20 years I would infinitely prefer to maintain the status quo, and for that reason I have not been able to bring my judgment to the approval of the measure which is now before us. I shall, therefore, later in the proceedings offer a measure which I have prepared, which I have been offering for 10 or 12 years in the Congress of the United States, to grant to the Filipinos their independence.

The measure which I shall offer would allow the Filipinos their independence within 37 months, taking the minimum time, or approximately 50 months, adopting the flexible provision of the measure; but in the meantime they will be

under the flag of the United States, and the responsibility will rest upon the United States, as it rests upon the United States now, to assert its sovereignty in every proper way under the Jones law, which is now governing the relations between the two countries. But I agree with the Senator that there are only two philosophies which are available here, one to give the Filipinos their independence, the other to continue the Filipinos under the flag under the Jones law, with perhaps some liberalization of its provisions.

Mr. VANDENBERG. Mr. President, I thank the able Senator from Utah for his observations. We have discussed this problem together many, many times, in public and in private. I think we see eye to eye respecting the philosophy of the situation. He happens to prefer one of the two logical courses and I happen to prefer the other of the two logical courses. But if I could not pursue the logical course which I have chosen, then I would pursue the logical course which the Senator from Utah has chosen, except that I would add to it a postindependence period of economic adjustment to our markets. I decline, however, to wander into the illogical hazard of the pending proposition.

Mr. President, I think that concludes the presentation I care to make to the Senate upon this subject. I conclude by simply summarizing this proposition.

I submit that the Senate can not, in justice to the American people, sublet American sovereignty in the turbulent, treacherous, chaotic Orient, to an alien people and race, who will live and operate upon their own responsibility, yet under a flag which calls us back for 14 unhappy years to liquidate any troubles into which they may happen to get. I submit that is not the route either to a logical and adequate administration of the Philippine Islands or a logical means of preserving peace, not only for us but for the Orient and the world. I repeat the warning uttered by the late President Roosevelt in 1914:

If the Filipinos are entitled to independence, then we are entitled to be freed from all the responsibility and risk which our presence in the islands entails upon us. * * * To substitute for * * * government by ourselves, either a government by the Filipinos with us guaranteeing them against outsiders or a joint guaranty between us and outsiders would be folly. * * *

This pending proposal is guilty of this folly. It was folly then. It is folly now. Let us either leave the Philippines at the earliest possible date or let us remain to the end of any preindependence preparation, with American authority constantly equal to American responsibility. There is no tenable middle ground.

Therefore, Mr. President, in line with my argument I offer the following motion to recommit.

The VICE PRESIDENT. The motion will be read.

The legislative clerk read as follows:

I move to recommit the pending bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes, to the Committee on Territories and Insular Affairs with instructions to change the relative time for the adoption of a new Philippine constitution from the beginning of the preindependence period to the end thereof, as generally provided in the substitute amendment proposed by me, and with further instructions to said committee to report the bill back not later than Tuesday, December 20, 1932.

Mr. VANDENBERG. Mr. President, on my motion I ask for the yeas and nays.

Mr. HAWES. Mr. President, referring to the remarks of the Senator from Michigan [Mr. VANDENBERG] I desire at this time to pay to him the highest possible tribute I can. He has given a great deal of careful consideration to this question.

Mr. BLAINE. Mr. President, will the Senator from Missouri yield to enable me to suggest the absence of a quorum?

The VICE PRESIDENT. Does the Senator from Missouri yield for that purpose?

Mr. HAWES. I do.

The VICE PRESIDENT. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Bankhead	Bingham	Borah
Austin	Barbour	Black	Broussard
Bailey	Barkley	Blaine	Bulkeley

Bulow	Goldsborough	Logan	Schuyler
Byrnes	Gore	Long	Shipstead
Capper	Grammer	McGill	Shortridge
Carey	Hale	McKellar	Smith
Cohen	Harrison	McNary	Smoot
Coolidge	Hastings	Metcalf	Steiwer
Copeland	Hatfield	Moses	Thomas, Okla.
Costigan	Hawes	Neely	Trammell
Couzens	Hayden	Norbeck	Tydings
Dale	Hebert	Nye	Vandenberg
Davis	Howell	Oddie	Wagner
Dickinson	Hull	Patterson	Walsh, Mass.
Ellis	Johnson	Pittman	Walsh, Mont.
Fess	Kean	Reed	Watson
Frazier	Kendrick	Reynolds	
George	King	Robinson, Ark.	
Glass	La Follette	Robinson, Ind.	

Mr. ROBINSON of Arkansas. I desire to announce again that the senior Senator from Texas [Mr. SHEPPARD] is absent attending the funeral of the late Representative Garrett, of Texas.

The VICE PRESIDENT. Seventy-seven Senators have answered to their names. A quorum is present.

Mr. HAWES. Mr. President, the Senate Committee on Territories and Insular Affairs commenced to discuss the question of Philippine independence nearly three years ago. We had various bills presented before the committee and as a result of the hearings many members of the committee changed their minds. I may say I was one of them. The distinguished Senator from Michigan [Mr. VANDENBERG] changed his mind. But on that committee of 11 members and on the House committee of some 21 members there is not any member of either committee, so far as I know, who agrees with the contentions of the Senator from Michigan. He stands alone. Therefore it would be perfectly useless to recommit the bill. It would be only an idle gesture. It would be a mere consumption of time because there is no single argument connected with the bill that has not been presented to the committee and considered by it.

Mr. President, I ask permission to insert in the RECORD as a part of my remarks a memorandum of the powers of the high commissioners.

The VICE PRESIDENT. Without objection, that order will be made.

The memorandum is as follows:

MEMORANDUM ON PROVISIONS IN BILL PROTECTING AMERICAN SOVEREIGNTY AND CITIZENS IN THE PHILIPPINE ISLANDS

Section 1 of the bill dealing with the proposed form of constitution for the Philippine Islands, provides in section 2 that the constitution shall be republican in form and shall contain a bill of rights. It has the following mandatory provisions:

- (a) All citizens of the Philippine Islands shall owe allegiance to the United States.
- (b) Every officer of the government of the Commonwealth of the Philippine Islands shall take an oath of allegiance.
- (c) Property owned by the United States shall be free from taxes.
- (d) The public debt of the Philippine Islands shall not exceed the limits now or hereafter fixed by Congress, and no loans shall be contracted in foreign countries without the approval of the President.
- (e) The debts of the existing government shall be assumed by the new government.
- (f) Acts affecting currency, coinage, imports, exports, and immigration, shall not become law until approved by the President of the United States.
- (g) Foreign affairs shall be under the direct supervision and control of the United States.
- (h) All acts passed by the Legislature of the Commonwealth of the Philippine Islands shall be reported to the Congress of the United States.
- (i) The Philippine Islands to recognize the right of the United States to expropriate property, to maintain military and naval establishments, and to call to its service any military forces organized by the Philippine government.
- (j) The decisions of the courts of the Philippine Islands shall be subject to review by the Supreme Court of the United States.
- (k) The United States may exercise the right to intervene for the preservation of the government, as provided in their constitution, and for the protection of life, property, and individual liberty, and for the discharge of government obligations.
- (l) The authority of the United States high commissioner shall be recognized.
- (m) Citizens and corporations of the United States shall enjoy in the Philippine Islands all the civil rights of citizens and corporations, respectively, thereof.

Section 3 provides that the constitution shall be submitted to the President of the United States, who shall determine whether or not it complies with the provisions of the bill.

Section 5: The United States reserves from its grant of land to the Commonwealth of the Philippine Islands all such land or other property as has heretofore been designated by the President of the United States for military and other reservations of the Government of the United States.

(I am informed by the Philippine commission that these reservations now amount to approximately 700,000 acres. Roxas reports that he gave to Senator PITTMAN a complete list of these reservations.)

Section 7 provides that until complete withdrawal of American sovereignty over the Philippine Islands—

1. Every amendment to the constitution shall be submitted to the President for approval;

2. The President shall have authority to suspend the taking effect of or the operation of any law, contract, or executive order of the government which shall, in his judgment, result in the failure of the Government of the Commonwealth to fulfill its contracts, or to meet its bonded indebtedness and interest thereon, or to provide for its sinking funds, or which seems likely to impair the reserves for the protection of the currency of the Philippine Islands, or which, in his judgment, will violate international obligations of the United States.

The President is further given the right to take such action as, in his judgment, may be necessary in pursuance to the right to intervene reserved under paragraph (n) of section 2 of this act.

3. The chief executive of the commonwealth shall make annual reports to the President and such additional reports as the President and Congress may request.

4. The President shall appoint a United States High Commissioner to the Philippine Islands, who shall represent the President. He shall have access to all records of the government; shall be furnished reports by the chief executive of the islands. If the Commonwealth of the Philippine Islands fails to pay any of its bonded indebtedness or interest thereon, or fulfill its contracts, the high commissioner shall so report to the President, who may direct the high commissioner to take over and administer the customs of the commonwealth, and he may perform such other functions as are delegated to him by the President.

The high commissioner shall have a financial expert or comptroller, who shall receive duplicate copies of the reports of the insular auditor, and to whom appeals to the insular auditor may be taken.

5. The commonwealth of the Philippine government shall appoint a Resident Commissioner to the United States.

6. The right of review by the Supreme Court of the United States shall be as now provided by law, and such review shall extend to all cases involving the constitution of the Commonwealth of the Philippine Islands.

The VICE PRESIDENT. The question is on the motion of the Senator from Michigan.

Mr. VANDENBERG. On that motion I ask for the yeas and nays.

The yeas and nays were ordered and the Chief Clerk proceeded to call the roll.

Mr. COPELAND (when his name was called). Present.

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). I desire to announce the unavoidable absence of the junior Senator from New Mexico [Mr. CUTTING]. If present, he would vote "nay."

Mr. MCKELLAR (when his name was called). On this vote I have a general pair with the junior Senator from Delaware [Mr. TOWNSEND]. I transfer that pair to the senior Senator from Texas [Mr. SHEPPARD], and vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I have a general pair with the junior Senator from Mississippi [Mr. STEPHENS]. I transfer that pair to the junior Senator from New Mexico [Mr. CUTTING], and will vote. I vote "nay."

The roll call was concluded.

Mr. HULL (after having voted in the negative). I have a general pair with the senior Senator from Iowa [Mr. BROOKHART], and therefore withdraw my vote.

Mr. BULOW. I have a pair with the Senator from Connecticut [Mr. WILCOTT], which I transfer to the Senator from Illinois [Mr. LEWIS], and vote. I vote "nay."

Mr. HEBERT. Repeating the announcement of my pair with the Senator from Florida [Mr. FLETCHER], and not knowing how he would vote if present, I transfer that pair to the Senator from Maine [Mr. WHITE], and vote "yea."

Mr. ROBINSON of Arkansas. I desire to announce that the Senator from Illinois [Mr. LEWIS] and the Senator from Virginia [Mr. SWANSON] and the Senator from Utah [Mr. KING] are absent on official business.

I desire also to announce that the junior Senator from Arkansas [Mrs. CARAWAY] is absent on account of illness.

I wish further to announce that the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], and the Senator from New Mexico [Mr. BRATTON] are necessarily absent, attending the funeral of the late Representative Garrett, of Texas.

Mr. FESS. I was requested to announce the following general pairs:

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER];

The Senator from Minnesota [Mr. SCHALL] with the Senator from New Mexico [Mr. BRATTON];

The Senator from New Hampshire [Mr. KEYES] with the Senator from Arkansas [Mrs. CARAWAY]; and

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. SWANSON].

The result was announced—yeas 19, nays 54, as follows:

YEAS—19

Barbour	Fess	Hatfield	Patterson
Bingham	Goldsborough	Hebert	Steinwer
Couzens	Grammer	Kean	Vandenberg
Dale	Hale	Metcalfe	Watson
Dickinson	Hastings	Moses	

NAYS—54

Ashurst	Cohen	Kendrick	Robinson, Ark.
Austin	Coolidge	La Follette	Robinson, Ind.
Bailey	Costigan	Logan	Schuyler
Bankhead	Davis	Long	Shipstead
Barkley	Dill	McGill	Smith
Black	Frazier	McKellar	Smoot
Blaine	George	McNary	Thomas, Okla.
Borah	Glass	Neely	Trammell
Broussard	Gore	Norbeck	Tydings
Bulkeley	Harrison	Nye	Wagner
Bulow	Hawes	Oddie	Walsh, Mass.
Byrnes	Hayden	Pittman	Walsh, Mont.
Capper	Howell	Reed	
Carey	Johnson	Reynolds	

NOT VOTING—23

Bratton	Fletcher	Norris	Thomas, Idaho
Brookhart	Glenn	Schall	Townsend
Caraway	Hull	Sheppard	Walcott
Connally	Keyes	Shortridge	Wheeler
Copeland	King	Stephens	White
Cutting	Lewis	Swanson	

So the Senate refused to recommit the bill with instructions.

TARIFF BARRIERS

Mr. WALSH of Massachusetts. Mr. President, I have received this morning several telegrams from business establishments in the city of Boston protesting against the threatened action of the Bermuda Government in raising tariff barriers against the importation into that country of food products from this country. I would like to have one of these telegrams read at the desk for the information of the Senate and then, with the other telegrams, referred to the Committee on Finance.

The VICE PRESIDENT. Is there objection? The Chair hears none, and it is so ordered. The clerk will read, as requested.

The telegram was read, as follows:

[Telegram]

BOSTON, MASS., December 17, 1932.

Senator DAVID I. WALSH.

United States Senate:

Understand from authentic source that Bermuda Government plans to place absolutely prohibitive tariff on food products from United States, thus throwing business to Canada or foreign countries. Bermuda's tremendous hotel industry has for many years been supported by United States citizens. Canada and other foreign visitors in exceedingly small minority. Think supplies should be purchased from countries from which income is derived. Imperative assistance and quick action essential.

CHARLES H. STONE Co.

Mr. KING. Mr. President, will the Senator from Massachusetts permit an inquiry?

Mr. WALSH of Massachusetts. Certainly.

Mr. KING. I was wondering whether the good people who send the telegrams would support a proposition to lower the high tariffs we have imposed if complaints should be made by foreign nations against us on account of such tariffs. It is a matter of fact, as the Senator knows, that prior to the enactment of the Fordney-McCumber tariff law and the so-called Smoot-Hawley tariff law there were ex-

portations from the United States to Canada in the amount of approximately \$825,000,000, largely fabricated and semi-fabricated products, and Great Britain purchased from us approximately the same amount.

Mr. WALSH of Massachusetts. The Senator knows I took the same position he took with reference to that tariff legislation. I have simply sent these telegrams forward in the nature of petitions from these business establishments. I think they indicate the restlessness which exists throughout the world, and the need of international tariff conferences, which the Democrats have advocated, looking to some adjustment, on account of the continuous efforts on the part of other countries to raise their tariff barriers following our adoption of the Smoot-Hawley law.

Mr. KING. I agree with the Senator entirely, but it is a little ironical for those people, who have been urging these high prohibitive tariffs in our own country, to object to prohibitive tariffs being levied by other countries. The ox is being gored now, but it is the other fellow's ox.

Mr. ASHURST. Mr. President, I have clipped from one of the Scripps-Howard papers an article referring to myself. I seldom offer for the RECORD an article commendatory of myself, but prefer to select rather those that are critical, and I read this article, as follows:

OH, STOP AND THINK A BIT, SENATOR!

"Taxes," orated Senator HENRY F. ASHURST, of Arizona, in the Senate the other day, "constitute one of the burdens that civilization must bear. If somebody will discover a plan or remedy whereby we may go through this life without being heavily taxed, I shall cheerfully subscribe to the dissemination of his propaganda.

"I sometimes marvel at the patience of the taxpayers themselves that they should so uncomplainingly make so many sacrifices and deny to themselves in so many instances the privileges, rights, repose, and opulences of civilization in order to meet and satisfy the ever-present taxgatherer."

Okay, Senator! We'll tell you how people "may go through this life without being heavily taxed."

Like you, we have marveled at the patience of taxpayers, and wondered when it would end.

If you really want to cut taxes, instead of just talking about cutting them, here's how:

Abolish about 200 Government bureaus to start with.

Repeal the fool Volstead Act, legalize beer and thus save huge waste of money and pile up a big revenue.

Make the Budget balance—not by increasing taxes, but by decreasing expenses everywhere.

Stop handing out billions to big business.

Cut down the crazy tariff that blocks trade and results in the export of factories and jobs to foreign countries.

That's just a starter, Senator. You go ahead with that program—and meanwhile we'll think up a few more simple little details—that you'd have thought of yourself if you were not so busy making orations.

PHILIPPINE INDEPENDENCE

The Senate resumed the consideration of the bill (H. R. 7233) to enable the people of the Philippine Islands to adopt a constitution and form a government for the Philippine Islands, to provide for the independence of the same, and for other purposes.

Mr. METCALF. Mr. President, as bearing on the present debate, I ask unanimous consent to have printed in the RECORD a very able analysis of the question of Philippine independence prepared by the Senator from Nevada [Mr. PITTMAN]. I think it would be well to have it in the RECORD.

The VICE PRESIDENT. Without objection, the analysis will be ordered to lie on the table and be printed in the RECORD.

The matter referred to is as follows:

THE PHILIPPINE PROBLEM AND THE HAWES-CUTTING BILL

The United States has had two policies toward the Philippine Islands. The first policy has been political, and the second economic. These two policies have been diametrically opposed.

Politically, every President since McKinley, and the United States Congress in the preamble to the Jones law have committed the United States to the policy of preparing the Filipino people for independence, and in promising to them the right to determine their own destiny at some time in the future.

Economically, the Philippine Islands have been and are being bound more closely year by year to the United States by the policy of bringing the islands within the tariff barrier of the United States, which was begun in 1903, completed in 1909, and has been maintained since.

POLITICAL POLICY

The form of the political promise has varied. President Taft, in his message to Congress in December, 1912, said, "We should endeavor to fit the Filipinos for economic independence, and to fit them for complete self-government with the power to determine eventually whether * * * such self-government shall be self-independence."

In March, 1905, President Taft stated: "Should the Philippine people when fit for self-government demand independence, I should be strongly in favor of giving it to them; and I have no doubt that the American people of the next generation would be of the same opinion."

President Wilson, in a message to the Filipino people delivered through Governor General Harrison, said: "We regard ourselves as trustees acting not for the advantage of the United States, but for the benefit of the people of the Philippine Islands. Every step we take will be taken with a view to ultimate independence of the islands and as a preparation for that independence."

Congress in the preamble to the Jones Act recited, "Whereas it is, as it has always been, the purpose of the people of the United States to withdraw their sovereignty over the Philippine Islands and to recognize their independence as soon as a stable government can be established therein."

In the pronouncements of Presidents McKinley, Taft, and Roosevelt the emphasis was laid upon the development of self-government which might or might not result in complete independence from the United States. The pronouncements of President Wilson and the preamble to the Jones Act lay emphasis on complete independence as soon as a stable government is established in the islands.

Year by year the Philippine people have progressed in self-government. The original form of government provided for the islands was a United States commission appointed by the President, which had complete executive and legislative power in the islands. In 1902 a Republican Congress passed the first organic act of the Philippine Islands, and, among other things, inaugurated a lower house, corresponding to our House of Representatives, the members of which are elected by the Filipino people. The original Philippine Commission continued as the upper house and as the executive branch of the government.

In 1916 a Democratic Congress passed the Jones Act, which substituted an elective senate for the Philippine Commission.

In the Hawes-Cutting bill now before the Senate it is proposed to further extend the autonomy of the islands by allowing the Filipino people to adopt a constitution for the commonwealth of the Philippine Islands which shall grant to them the right to elect their own executives, the direct control over the islands by the United States being transferred from the Governor General to a high commissioner from the United States to the Philippine Islands, who will be the direct representative of the President of the United States in the islands. The bill, it is believed, reserves to the United States authority commensurate with the responsibility incident to the retention of sovereignty.

This extension of authority is in line with the general policy of the United States toward the Philippines, and will supply the final laboratory test of the capacity of the Filipino people to maintain a stable government in the islands. At the end of a 15-year period after the inauguration of the new government the islands are given a right by a plebiscite vote to determine whether they shall have complete independence or continue the then existing status with the United States. Such a plan is equally in line with the statement of President Taft, who was more intimately associated with and familiar with the affairs of the islands than any other President, when he said that the United States policy toward the Philippines necessarily involved in its ultimate conclusion, as the steps toward self-government became greater and greater, the ultimate independence of the islands; although, of course, if both the United States and the islands were to conclude after complete self-government were possible that it would be mutually beneficial to continue a governmental relation between them like that between England and Australia, there would be nothing inconsistent with the present policy in such result.

ECONOMIC POLICY

Looking at the picture from the economic point of view, under the treaty of peace with Spain which ceded the Philippine Islands to the United States, which was signed in December, 1898, it was decided that "the United States will, for the term of 10 years from the date of the exchange of the ratifications of the present treaty, admit Spanish ships and merchandise to the ports of the Philippine Islands on the same terms as ships and merchandise of the United States."

In 1909, when this 10-year period had expired, the United States granted free trade to the Philippines and set up a tariff barrier in the islands against merchandise coming in from other countries than the United States. As pointed out by Speaker Roxas, of the Philippine commission, this policy of free trade was imposed upon the Philippine Islands by the United States despite the fact that the Philippine Assembly, by unanimous vote, protested against this action as likely to so tie up the Philippine Islands with the American economic system as to cause disruption at some time in the future, and thus be an obstacle to the achievement of national independence. The handling of this problem is one that rests clearly at the doors of the American people. Nobody could have stated this more clearly than Senator HARRISON, of Mississippi, when he said:

"We have obligations in the Philippines, and they must be observed. We can not afford, guardians as we are of the Philippine people, to alter our revenue laws in such a policy as will destroy the industries of the islands. Whatever is done toward their independence must be done sanely and with the idea of giving them every opportunity and time to adjust their fiscal policies to meet our altered policies."

The result of this policy is graphically shown in the development of the trade of the Philippine Islands. In 1899 the total trade of the islands, imports and exports, amounted to \$34,039,568. Of this total trade the trade with the United States amounted to \$5,288,341, or 16 per cent of the total. In 1930 the total trade of the Philippine Islands amounted to \$256,260,081. Of this total the trade with the United States amounted to \$183,525,089, or 72 per cent. In other words, while the trade of the Philippine Islands with all countries other than the United States increased from 1899 to 1930 from \$28,751,227 to \$72,734,991, or a little over two and one-half times, the trade with the United States increased from 1899 to 1930 from \$5,288,341 to \$183,525,089, or a little over thirty-five fold.

The average annual value of leading exports from the Philippines to the United States for the years 1890 to 1894, before the American occupation, was \$3,379,000, or 16.8 per cent of the total exports; for the years 1905 to 1909, preceding free-duty trade, the average annual value was \$11,287,000, or 35 per cent of the total exports; and for the last three years, from 1928 to 1930, it was \$84,878,000, or 63 per cent of the total imports.

Approximately 77 per cent of the imports of the United States from the Philippines were protected by United States tariff, while 99.29 per cent of the imports into the Philippine Islands from the United States in 1929 were protected by Philippine tariff.

The United States' trade with Asia in 1899, the year of American occupation, was \$45,000,000; in 1929, it was \$643,000,000.

Prior to American occupation, United States shipping carried between 2 and 3 per cent of the trade of the Philippine Islands. In 1929 it carried 48.12 per cent of the trade.

The result of this development should in all fairness be studied from two points of view: First, from the point of view of its effect on the Philippines, and second, from the point of view of its effect on the United States.

From the point of view of its effect on the Philippine Islands, the result of this policy has been to incorporate the Philippine Islands in the economic structure and tariff wall of the United States to substantially the same effect as any State in the Union. The standard of living in the Philippine Islands is as much higher than the standard of living in other oriental and tropical countries as the standard of living in the United States is higher than the standard of living in most Latin-American countries. If anyone will visualize what would happen to his own State should that State be taken outside of the tariff barrier of the United States and put on the basis of world trade, they will get a fair picture of what would happen in the Philippine Islands, and if such action is to be taken, it must be taken only after a substantial period of time to enable the islands to adjust themselves to the new economic conditions which will result.

A study of the various commodities which constitute the main exports of the Philippine Islands will make this situation even clearer. The average value of the exports to the United States from the Philippine Islands of the commodities which were exempted from import duty after 1909 is as follows:

For the 7-year average from 1903 to 1909, these exports amounted to \$1,155,000 a year, or 16.7 per cent of the total exports of these commodities to all countries. In 1929 the exports of these commodities amounted to \$97,240,000, or 92.4 per cent of the exports of these commodities to all countries.

Against this the leading Philippine exports to the United States which are duty free in the United States regardless of the country of export shows the following growth: For the 7-year average from 1903 to 1909 the purchase of these commodities in the United States was \$10,753,000, or 44 per cent of the total exports to all countries. In 1929 the exports of these commodities to the United States amounted to \$26,434,000, or 48 per cent of the total exports of these commodities to all countries.

These figures tell the story of the effect on the industries of the Philippine Islands of free trade with the United States. Prior to 1909 we purchased from the islands 16.7 per cent of the commodities which are produced in the islands on which duties are now waived, while in 1929 we bought 92.4 per cent of these commodities. On the commodities produced in the Philippine Islands which have free entry into the United States regardless of the country of origin the increase has been from 44.6 to 48 per cent over the same period.

The economic life of the Philippine Islands, with all that has gone with it in the way of improved standards of living, higher wages, better transportation, improved sanitation, and general prosperity, has its origin and is maintained as a result of the policy of the United States in bringing the Philippine Islands within its tariff barriers.

From the point of view of the United States the acquisition of the Philippine Islands and our trade development with them has meant the following:

First. An investment of \$257,000,000 in the Philippine Islands by the United States. Aside from the land in the islands the American investment there constitutes 49 per cent of the entire capital investment in the Philippine Islands. These investments have been made not for the purpose of exploitation but very

largely at the urgent request of the American Government in the efforts which have been made by the American Government to build up the trade and prosperity of the Philippine Islands.

Of this investment only \$12,000,000 is in real estate, the balance being in bonds, sugar centrals, railroads, street railroads, and electric-lighting plants, manufacturing and mercantile establishments. Any precipitate action in reference to the Philippine Islands would inevitably result in great losses in connection with these investments.

Second. The United States has built up in the Philippine Islands a sure market for between eighty and ninety millions of dollars for its products. This list of exports to the islands constitutes a varied list of manufactured and agricultural products of the United States, and constitutes the only free market we have left in the world at the present time for our products. At a time like this when general depression and currency depreciation is cutting our exports in half, there must be some overwhelming reason to insist on interfering with such an outlet for the products of this country.

The more one studies the situation with reference to trade between the Philippine Islands and the United States the more one must realize that this trade constitutes an ideal arrangement for the two countries.

On the other hand, it is the sale by the Philippine Islands of tropical products that are not and can not be produced in this country, and which, as will be shown, do not compete with the products of this country. Against this we sell to the Philippine Islands the manufactured and agricultural products of the Temperate Zone, 99 per cent of which are protected by the import tariffs of the Philippine Islands.

Third. Our shipping is handling 48 per cent of the total foreign trade of the Philippine Islands, and this traffic is vital to maintain our merchant marine on the Pacific.

Fourth. No one who has not studied the situation in the Orient on the ground can realize how important it is for the United States to have a base in the Orient. Anyone who has studied the trade developments in the world to-day must realize that the place where the foreign trade of this country must have its greatest growth is in the Orient, and that our destiny is in that direction.

The philosophy of the Hawes-Cutting bill is based on the belief that a moral obligation does exist on the part of the people of the United States to extend local self-government to the people of the Philippine Islands, and upon the completion of the experiment and proof of their capacity to maintain local self-government to grant to them the right of determining their own destiny whether this destiny shall be as President Taft said, a continuation of a relationship such as exists between Great Britain and Australia or complete self-independence; second, that to carry out such a moral obligation without unnecessary injustice or hardship to the people of the Philippine Islands, or to the people of the United States requires a substantial period of readjustment and preparation. To carry this out the bill provides that upon the completion of the inauguration of the self-government provided for in the bill that the exports from the Philippine Islands to the United States which are now protected by free entry to the United States shall be limited to approximately the status quo of the present trade from the islands to the United States. In other words, the trade in the three major products that has now been built up on the basis of the waiving of the tariffs on Philippine products is allowed to continue on the basis of the status quo, but the Philippine Islands are given notice that any further expansion of this trade in these products must be based on world markets. For a period of 10 years this trade is allowed to continue as a means of amortizing investments, reduction of costs, and general preparation for competition on the lower scale of prices which must inevitably result. Beginning with the eleventh year an ascending scale of export duties are to be charged by the Philippine Islands on these commodities, the purpose of which is threefold: First, to gradually adjust these industries to the new conditions should the Philippine Islands vote for complete independence; second, to provide a fund which will redeem the bonds of the Philippine Islands which have been issued under authority of the United States; and third, to give a practical demonstration to the people of the Philippines of the effect of complete independence upon them prior to the time when they must decide as to their destiny.

The bill further provides that even in the event of the complete independence of the islands the United States reserves the right to maintain in the islands such bases as are considered necessary and advisable. Anyone who has studied the situation in the Orient must realize how important this reservation is in connection with our future trade and relationships in the Far East.

PHILIPPINE IMMIGRATION

The bill further settles a condition which has been a source of considerable friction in connection with the Philippine Islands, and that is the question of unrestricted immigration of the Filipinos to the United States. It is very much to the credit of the representatives of the Filipino people who have come to Washington in connection with this program that an agreement has been reached with and concurred in by them upon this delicate and important question. The commission has become convinced that such action is advisable not only from the point of view of the United States but from the point of view of the Philippine Islands as well. The Philippine Islands are a large and undeveloped country and the labor is needed there for that development.

SUGAR

So far as sugar is concerned, the following table shows the sources from which the sugar consumed in the United States was produced in 1930:

	Per cent
Continental United States, beet and cane	20
Hawaii, Puerto Rico, and Virgin Islands	24
Philippine Islands	12
This sugar comes in free of duty.	
Cuba	44

This sugar pays a duty of 2 cents a pound.

The continental sugar producers, Hawaii, Puerto Rico, and the Virgin Islands sell all the sugar they produce in the United States. The only effect of reducing the amount coming from the Philippine Islands will be to increase the purchases from Cuba.

The only danger from the Philippines to domestic sugar producers is a very large increase in the free entry of Philippine sugar. This danger is fully met by the provision in the Hawes-Cutting bill.

It is admitted that sugar production in Hawaii and Puerto Rico is at its maximum and continental beet and cane sugar would have to increase production 200 per cent before there would be any competition from the Philippine Islands.

Continental beet and cane sugar production in the United States has not for the last 20 years been able to maintain its pro rata of American consumption.

In 1910 continental beet and cane sugar produced 23.58 per cent of American consumption; in 1930, 20 per cent of American consumption.

The economic dependence of the Philippine Islands upon the United States as a result of the free-trade relationship largely centers around the sugar industry. For the 3-year average, 1900-1902, sugar constituted 3 per cent of the total exports to the United States. In 1929 sugar constituted 41.9 per cent of the total.

As shown by the testimony presented before the Insular Affairs Committees of Congress, the sugar industry in the Philippine Islands was very largely increased during and after the war, at the instance of the United States, acting through the Philippine Bank, in financing a large number of sugar centrals. The momentum in this industry is shown by the following statistics of sugar exports to the United States from the Philippine Islands:

	Long tons
1929	634,578
1930	708,686
1931	730,061
1932 (estimated)	865,000

As shown by the testimony submitted to the House and Senate Committees on Insular Affairs, the existing milling capacity of the centrals in the islands is 1,200,000 long tons, and the existing obligations entered into by these centrals with the sugar planters will call for the production of this amount of sugar, and that such amount will be reached within a period of three or four years.

The theory of the Hawes-Cutting bill is to put such limitation on the amount of sugar imported from the Philippine Islands as shall allow the existing industry in the islands, which has been built up on the basis of free trade between the islands and the United States to continue, and at the same time to prevent any further expansion of the industry in reliance on free trade.

The limitation provided in the Hawes-Cutting bill of 850,000 long tons will be exceeded by the 1932 shipments. On the actual figures of production for 1932 the exports will be 820,000 long tons of raw sugar and 45,000 long tons of refined sugar.

Owing to the fact that all sugar coming in from Cuba is allowed a 20 per cent preferential, and the further fact that the amount of sugar produced in Cuba is so largely in excess of the United States' demand that Cuban sugar sells here on the world price of sugar plus the 2-cent duty, no sugar in excess of the limitation set out in the Hawes-Cutting bill can be exported to the United States from the Philippine Islands, but such excess must find the world markets. The following figures make this situation clear:

Assuming the price of raw sugar in the United States to be 2.65 cents a pound, Cuba, shipping sugar in, pays a duty of 2 cents a pound, and therefore receives 0.65 of a cent a pound for her sugar. And sugar in excess of 850,000 long tons from the Philippines would have to pay the full duty of 2½ cents a pound, so that if sold to the United States the Philippines would only receive 0.15 of a cent a pound for her sugar, while in the world market she would receive 0.65 of a cent a pound.

Our national honor and good name is at stake in carrying through to a successful conclusion the colonial experiment which the United States has conducted in the Philippine Islands. The Hawes-Cutting bill points the way to its solution, and to change this bill in compliance with unjustifiable demands of special interests in this and other countries would be an immoral and tyrannical act, in violation of our concepts of government, the high sentiments of our people, and in violation of the spirit of our oft-repeated declarations and promises. The honor of our Government and the security of our own people is involved in the pending measure.

Mr. DICKINSON. Mr. President, I desire to call up an amendment to the bill, which I presented some time since,

limiting the imports of pearl buttons from the Philippine Islands to the United States.

The VICE PRESIDENT. The amendment proposed by the Senator from Iowa will be stated.

The CHIEF CLERK. On page 28, line 17, it is proposed to insert a new section, as follows:

There shall be levied, collected, and paid on all buttons of pearl or shell, finished or partly finished, and on all pearl or shell button blanks, not turned, faced, or drilled, coming into the United States from the Philippine Islands in any calendar year in excess of a collective total of 800,000 gross of all such articles hereinbefore enumerated the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

The VICE PRESIDENT. The question is on agreeing to the amendment.

Mr. DICKINSON. Mr. President, it is my hope there will be no objection to this amendment on the part of the committee, for the reason that most of the pearl buttons which are manufactured in this country are manufactured at Muscatine and in various other localities in Iowa. The amendment simply provides under the bill a limitation, similar to the other limitations on other commodities, for the protection of the particular interest in the locality which I have named. I repeat, I hope there will be no objection on the part of the committee to the amendment.

Mr. HAWES. Mr. President, there were last year only \$4,000 worth of pearl buttons sent to the United States from the Philippines. I do not believe such an importation can affect the domestic market; but it is such a very small item that I am not going to object to the amendment.

Mr. GORE. Mr. President, I agree with what has just been said by the Senator from Utah [Mr. KING]. I concur in his protest against the imposition of a tariff upon pearl buttons imported from the Philippine Islands.

If I understood the Senator from Missouri, he said he would not object to this amendment because the item was a small item. The fact that this is a small item I do not believe justifies a violation of principle, a violation of the principle of justice toward an enthralled people.

If we are to violate a principle, let us not do so thus cheaply. If we are to barter principles for booty, let us demand more booty. Let us not swap our principles for pearl buttons. If we are to accept the wages of sin, let us demand a high wage, a wage commensurate with the sin.

There is a little town in Iowa where pearl buttons are manufactured out of mussel shells, a delightful little city, a deserving people; but I do not believe that in order to protect a local industry of this kind we ought to violate a principle of justice toward a distant, toward an enthralled, toward a helpless people.

Mr. DICKINSON. Mr. President, one would think, from the statements of both the distinguished Senator from Utah and the distinguished Senator from Oklahoma, that I was suggesting a new principle in this bill. As a matter of fact, the remarks of the Senators apply equally to sugar and coconut oil, which are limited in the bill under exactly the same conditions under which I am proposing to limit pearl buttons.

Mr. KING. Mr. President, will the Senator yield?

Mr. DICKINSON. I yield.

Mr. KING. I agree with the Senator, and I would denounce with the same vigor the plan to include coconut oil or sugar or any other commodity in this bill. I will not vote for any bill which imposes such restrictions upon the Philippine Islands.

Mr. DICKINSON. I simply wanted the Senator to know that I was not initiating in this bill any new principle, that the same remarks apply to both sugar and coconut oil as apply to pearl buttons. This is a matter of the protection of an industry which has grown up in the Mississippi Valley, which I think is entitled to just as much protection as are these other industries.

Mr. GORE. Mr. President, the principle applies equally, as far as I am concerned. These people are held by us in subjection, and I do not think we ought to rob or rape them while they are in that situation.

The PRESIDING OFFICER (Mr. COUZENS in the chair). The question is on agreeing to the amendment offered by the junior Senator from Iowa [Mr. DICKINSON].

Mr. DICKINSON. I ask for a division.

Mr. LA FOLLETTE. I suggest the absence of a quorum.

The PRESIDING OFFICER. The clerk will call the roll.

The legislative clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Reynolds
Austin	Couzens	Hull	Robinson, Ark.
Bailey	Dale	Johnson	Robinson, Ind.
Bankhead	Davis	Kean	Schuyler
Barbour	Dickinson	Kendrick	Shipstead
Barkley	Fess	King	Shortridge
Bingham	Frazier	La Follette	Smith
Black	George	Long	Smoot
Blaine	Glass	McGill	Steiwer
Borah	Goldsborough	McKellar	Thomas, Okla.
Broussard	Gore	McNary	Trammell
Bulkley	Grammer	Metcalf	Tydings
Bulow	Hale	Moses	Vandenberg
Byrnes	Harrison	Norbeck	Wagner
Capper	Hastings	Nye	Walsh, Mass.
Carey	Hatfield	Oddie	Walsh, Mont.
Cohen	Hawes	Patterson	Watson
Coolidge	Hayden	Pittman	
Copeland	Hebert	Reed	

Mr. ROBINSON of Arkansas. Mr. President, I desire to announce that the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], and the senior Senator from New Mexico [Mr. BRATTON] are detained in attendance on the funeral of the late Representative Garrett, of Texas.

The VICE PRESIDENT. Seventy-four Senators have answered to their names. A quorum is present.

Mr. DICKINSON. I ask for the yeas and nays on my amendment.

Mr. WALSH of Montana. Mr. President, I raise the point of order against the pending amendment. It is quite evidently a revenue measure and can not, under the Constitution, originate with the Senate.

The VICE PRESIDENT. That is a constitutional question, which the Chair will submit to the Senate to determine whether the point of order is well taken. The question is, Is the point of order well taken? [Putting the question.] The Senate sustains the point of order.

Mr. BROUSSARD obtained the floor.

Mr. DICKINSON. Mr. President, I simply want to suggest, in view of the confirming of the point of order made and sustained by the Chair with reference to this section, that it is in identical language with the section relating to the limitation on the tonnage of sugar and also the limitation on the importation of coconut oil. Therefore, if that is true, I now make the point of order against both the sugar section and the coconut-oil section of the bill.

Mr. BROUSSARD. Mr. President, I wish to offer an amendment on page 21.

Mr. PITTMAN. Mr. President, a parliamentary inquiry.

The VICE PRESIDENT. The Senator will state it.

Mr. PITTMAN. Is not a point of order pending?

Mr. BROUSSARD. I have not yielded for that purpose.

Mr. PITTMAN. Very well.

Mr. BROUSSARD. On page 21, line 1, after the word "meet," I propose to amend by inserting the words "within the period of one year from the approval of this act." Then on page 24, line 17, after the word "submitted," I move to insert "within two years from the date of the approval of this act."

I assume everyone here wants to put some certainty into the bill as to its effect. All of us believe that there should be a period of 12 years, and that is definite. It is definite as to the time from the inauguration of the government of the Philippine Islands.

Mr. DICKINSON. Mr. President, will the Senator yield? I make the point of order, and I understand it can be made at any time—

Mr. BROUSSARD. I do not yield for that purpose.

The VICE PRESIDENT. The Senator from Louisiana does not yield for that purpose.

Mr. DICKINSON. Mr. President, I rise to a point of order.

The VICE PRESIDENT. The Senator will state it.

Mr. DICKINSON. I make the point of order against subsection (a), on page 27; subsection (b), on page 28; and subsection (c), on page 28, and insist that the rule of the Senate requires the Chair to hold that those paragraphs be stricken from the bill.

The VICE PRESIDENT. The Senator has the right to raise the point of order, but the Chair would hold that the Senator from Louisiana has the right to conclude his remarks and that the point of order should properly be raised when that question is before the Senate. The Senator from Louisiana has the floor and will proceed.

Mr. BROUSSARD. There is no time specified for the meeting of the Philippine Legislature. I invite the attention of the Senate to the fact that we can not remedy that matter in conference, because the House bill contains the same provision, and if we pass the bill without fixing some definite time when action shall be taken on the part of the Philippine Legislature and the adoption of their constitution and those people shall see proper to hold up the matter for 20 years, there is no provision to require them to act and the Congress will have divested itself of authority to act in the premises.

I believe it is a very serious matter. I am not wedded to the time that shall be given, but if we are to grant them independence and if we think it important to make it 12 years from the inauguration of their government, then certainly we should not leave this open, so they can remain in their present status without taking any action and indefinitely postpone any action Congress may wish to take with reference to matters in the Philippine Islands.

Mr. PITTMAN. Mr. President—

The PRESIDENT pro tempore. Does the Senator from Louisiana yield to the Senator from Nevada?

Mr. BROUSSARD. I do.

Mr. PITTMAN. What period of time does the Senator propose to fix by his amendment?

Mr. BROUSSARD. For the holding of a convention within the period of one year and providing that they shall submit the constitution to the President of the United States within two years from the approval of this act. I may state, however, that I am not wedded to the particular time I have proposed.

Mr. PITTMAN. Suppose, for instance, there is no limit as to when they shall submit either?

Mr. BROUSSARD. But it must be within that period. The House has not that provision in its bill. It might be well for those having charge of the matter to take the bill over there and discuss it with the Members of the House. If the Philippine Legislature were not satisfied and preferred to remain as they are, we would have divested ourselves of the right to legislate with reference to certain matters.

Mr. PITTMAN. Personally I see no objection to it, and I do not think any one else will. I think the theory on which the committee proceeded was that they were certain the Philippine Legislature would act as quickly as possible.

Mr. BROUSSARD. Yes; we have assumed that in the debates also.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Louisiana.

Mr. PITTMAN. Mr. President, before we proceed further I would like to have the attention of the senior Senator from Louisiana. The amendment which he has offered, in so far as the first part of it is concerned, was adopted on yesterday. It was submitted by the Senator from New Mexico [Mr. CUTTING] and will be found on page 567 of the RECORD. I will read it:

On page 21, line 3, after the word "fix," to insert the words "within one year after the enactment of this act," so as to read:

"CONVENTION TO FRAME CONSTITUTION FOR PHILIPPINE ISLANDS"

"SECTION 1. The Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention, which shall meet in the hall of the house of representatives in the capital of the Philippine Islands, at such time as the Philippine Legislature may fix, within one year after the enact-

ment of this act, to formulate and draft a constitution for the government of the Commonwealth of the Philippine Islands, subject to the conditions and qualifications prescribed in this act, which shall exercise jurisdiction over all the territory ceded to the United States by the treaty of peace concluded between the United States and Spain on the 10th day of December, 1898—"

And so forth.

Mr. BROUSSARD. That covers it. May I ask the Senator about the second amendment on page 24?

Mr. PITTMAN. That is not provided for, but the first one is.

Mr. BROUSSARD. Then I withdraw the first amendment and submit the second amendment, which I ask may be stated.

The PRESIDENT pro tempore. The amendment will be stated for the information of the Senate.

The CHIEF CLERK. On page 24, line 17, after the word "submitted" insert the words "within the period of two years from the passage of this act," so as to read:

SEC. 3. Upon the drafting and approval of the constitution by the constitutional convention in the Philippine Islands, the constitution shall be submitted within the period of two years from the passage of this act to the President of the United States, who shall determine whether or not it conforms with the provisions of this act.

The PRESIDENT pro tempore. The question is on agreeing to the amendment proposed by the Senator from Louisiana.

The amendment was agreed to.

Mr. DICKINSON. Mr. President, I offer the following amendment, which I send to the desk.

The PRESIDENT pro tempore. The amendment will be reported for the information of the Senate.

The CHIEF CLERK. On page 28, line 17, insert a new section, as follows:

There shall be levied, collected, and paid on all buttons of pearl or shell, finished or partly finished, and on all pearl or shell button blanks not turned, faced, or drilled, coming into the United States from the Philippine Islands in any calendar year in excess of a collective total of 800,000 gross of all such articles hereinbefore enumerated, the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries.

Mr. PITTMAN. Mr. President, was not a parliamentary objection raised to that by the Senator from Montana [Mr. WALSH]?

The PRESIDENT pro tempore. That is true; but, in view of the fact that the Senate has the House text before it for consideration, the present occupant of the chair will hold the amendment to be in order. An appeal may be taken from that ruling if the question of order is raised. The question is on agreeing to the amendment proposed by the Senator from Iowa. [Putting the question.] The Chair is in doubt.

Mr. PITTMAN. Mr. President, I am going to demand the yeas and nays on this question, but before doing so I suggest the absence of a quorum.

The PRESIDENT pro tempore. The clerk will call the roll.

The Chief Clerk called the roll, and the following Senators answered to their names:

Ashurst	Costigan	Howell	Reed
Austin	Couzens	Hull	Reynolds
Bailey	Dale	Kean	Robinson, Ark.
Bankhead	Davis	Kendrick	Robinson, Ind.
Barbour	Dickinson	King	Schuyler
Barkley	Fess	La Follette	Shipstead
Bingham	Frazier	Logan	Shortridge
Black	George	Long	Smith
Blaine	Glass	McGill	Stelwer
Borah	Goldsborough	McKellar	Thomas, Okla.
Broussard	Gore	McNary	Trammell
Bulkeley	Grammer	Metcalf	Tydings
Bulow	Hale	Moses	Vandenberg
Byrnes	Harrison	Neely	Wagner
Capper	Hastings	Norbeck	Walsh, Mass.
Carey	Hatfield	Nye	Walsh, Mont.
Cohen	Hawes	Oddie	Watson
Coolidge	Hayden	Patterson	
Copeland	Hebert	Pittman	

The PRESIDENT pro tempore. Seventy-four Senators having answered to their names, a quorum is present.

Mr. ROBINSON of Arkansas. Mr. President, I desire to announce that the senior Senator from Texas [Mr. SHEPPARD], the junior Senator from Texas [Mr. CONNALLY], and the senior Senator from New Mexico [Mr. BRATTON] are detained in attendance on the funeral of the late Representative Garrett, of Texas.

Mr. KING. Mr. President, I desire to make merely one observation. We started out with the high purpose to liberate the Filipinos and professed to have a little altruism and a little love of liberty. We have now degenerated to engage in a hide-and-seek struggle as to where the button is to be found.

Mr. PITTMAN. Mr. President, there is no provision of law and there can be no provision of law for the Philippine government to tax the exports from our country to those islands unless we have so provided. No one has ever thought of providing it. On the contrary, we have prevented them from doing it, and have compelled them to place tariff duties against the products of every other country except ours so as to build up our trade. We have an enormous trade with them. Now it is proposed to enact tariff legislation against them. It was considered by the House and it was considered by the Senate committee and was determined by a vote of the Senate that the status quo as to all their exports should prevail, subject to the exception that their chief exports should be limited and above that limit those chief exports should be taxed; and the tax is provided. If we now start imposing tariffs, we will have abandoned not only every theory of the House and every theory of the Senate so far but we will allow the petty, selfish interests of this country to defeat their own end. I hope that all amendments of this kind will be defeated.

The PRESIDENT pro tempore. The question is on the amendment proposed by the Senator from Iowa [Mr. DICKINSON] to the amendment of the committee, on which the yeas and nays have been demanded. Is the demand sufficiently seconded?

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BULOW (when his name was called). Making the same announcement as on the previous roll call with respect to my pair and its transfer, I vote "nay."

Mr. LA FOLLETTE (when Mr. CUTTING's name was called). I desire to announce that if the junior Senator from New Mexico [Mr. CUTTING] were present, he would vote "nay."

Mr. HEBERT (when his name was called). Again announcing my pair with the Senator from Florida [Mr. FLETCHER], I withhold my vote.

Mr. MCKELLAR (when his name was called). Making the same announcement of my pair and its transfer as I have made heretofore to-day, I vote "nay."

Mr. ROBINSON of Indiana (when his name was called). I announce again my general pair with the junior Senator from Mississippi [Mr. STEPHENS]. In his absence, not knowing how he would vote, I withhold my vote.

Mr. SHORTRIDGE (when his name was called). Again announcing my general pair with the junior Senator from Texas [Mr. CONNALLY], I withhold my vote.

The roll call was concluded.

Mr. HULL (after having voted in the negative). I have a general pair with the senior Senator from Iowa [Mr. BROOKHART]. I transfer that pair to the Senator from Washington [Mr. DILL], and let my vote stand.

Mr. FESS. I wish to announce the following general pairs:

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER];

The Senator from Minnesota [Mr. SCHALL] with the Senator from New Mexico [Mr. BRATTON];

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from New Hampshire [Mr. KEYES] with the Senator from Arkansas [Mrs. CARAWAY].

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY]

and the Senator from New Mexico [Mr. BRATTON] are necessarily detained from the Senate in attendance upon the funeral of the late Representative Garrett, of Texas.

The result was announced—yeas 21, nays 46, as follows:

YEAS—21

Austin	Dickinson	Long	Schuyler
Barbour	Fess	McNary	Shipstead
Capper	Goldsborough	Moses	Watson
Carey	Hastings	Norbeck	
Dale	Hatfield	Oddie	
Davis	Kean	Reed	

NAYS—46

Ashurst	Coolidge	Hull	Reynolds
Bailey	Costigan	Kendrick	Robinson, Ark.
Bankhead	Couzens	King	Smith
Barkley	Frazier	La Follette	Stelwer
Bingham	George	Logan	Thomas, Okla.
Black	Glass	McGill	Trammell
Blaine	Gore	McKellar	Tydings
Borah	Grammer	Metcalf	Wagner
Bulkley	Hale	Neely	Walsh, Mass.
Bulow	Harrison	Nye	Walsh, Mont.
Byrnes	Hawes	Patterson	
Cohen	Hayden	Pittman	

NOT VOTING—29

Bratton	Fletcher	Robinson, Ind.	Townsend
Brookhart	Glenn	Schall	Vandenberg
Broussard	Hebert	Sheppard	Walcott
Caraway	Howell	Shortridge	Wheeler
Connally	Johnson	Smoot	White
Copeland	Keyes	Stephens	
Cutting	Lewis	Swanson	
Dill	Norris	Thomas, Idaho	

So Mr. DICKINSON's amendment to the amendment was rejected.

Mr. DICKINSON. I offer another amendment to the committee amendment.

The PRESIDENT pro tempore. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 28, it is proposed to strike out lines 3 to 8, inclusive, and in lieu thereof to insert the following:

There shall be levied, collected, and paid on all coconut oil coming into the United States from the Philippine Islands in any calendar year the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries: *Provided*, That for the first year of the existence of the government of the Commonwealth of the Philippine Islands 150,000 long tons of coconut oil shall be exempt from the payment of said duty, and that for the second year the amount of coconut oil herein provided to be admitted free of duty shall be reduced by 15 per cent, for the third year by 30 per cent, for the fourth year by 45 per cent, for the fifth year by 60 per cent, for the sixth year by 75 per cent, for the seventh year by 90 per cent, and for the eighth year, and thereafter, full duties shall be paid.

Mr. DICKINSON. Mr. President, this amendment adopts a new principle. In the bill we have provided a straight tonnage exemption, which exemption was reduced by the amendment of the Senator from Louisiana. Now, instead of permitting that full tonnage to carry through the entire period, and having it automatically all cut off at the same time, or all be subjected to a duty at the same time, the amendment provides for a graduated scale during the 8-year period.

If this amendment should be adopted, and if in conference with the House the conclusion should be reached that the time should be longer or should be shorter, and the conferees see fit to accept the principle, then they could extend the time and reduce the percentage or they could shorten the time and increase the percentage.

The object of submitting this amendment now is to enable this principle to be in conference between the two Houses, the purpose being, instead of providing, as the bill does at the present time, a full tonnage exemption until the end of the period, to provide a graduated scale of reduction, which I believe is both for the benefit of our producers here and for the benefit of the Philippine Islands, because they will have to take care of themselves at the end of the interim period anyway.

There is this further purpose: The tonnage limitation is put in for the purpose of the protection of the competitive interests of this country. If we are going to be in competition with the Philippines, we, too, ought not to have that

competition come in here automatically and all at once in full amount. We should adjust ourselves to that competition by a graduated scale; and that is all that is involved in this amendment.

Mr. LONG. Mr. President, as I understand, under the bill as it is now prepared, with the amendments that have been adopted, beginning after the seventh year under our amendment, provided the 12-year provision stands, an export tax is gradually levied on all sugar coming from the Philippine Islands.

Mr. PITTMAN. That is true—sugar and oil.

Mr. LONG. Sugar and oil—that is, coconut oil?

Mr. PITTMAN. Yes.

Mr. LONG. My people, of course, are in sympathy with the stand taken by the Senator from Iowa [Mr. DICKINSON]; but we are going to have to get a bill, and I believe probably we have gone as far as we can hope to get the House to concur in. We have cut down the quantities considerably, and we have made such amendments that I am fearful that we are trying to go farther than there is any hope of getting the House to go. In other words, I am willing to draw a line and quit at a certain point. If they will let us alone, I am willing to let them alone about this matter.

Mr. TYDINGS. Mr. President, will the Senator yield?

The PRESIDING OFFICER (Mr. FESS in the chair). Does the Senator from Louisiana yield to the Senator from Maryland?

Mr. LONG. Yes, sir; I yield.

Mr. TYDINGS. If the Senator will yield for the purpose of making a motion, I desire to move that the amendment of the Senator from Iowa be laid upon the table.

Mr. BORAH. Mr. President, let us vote on the amendment directly. We do not desire to lay these amendments on the table. Let us vote on them directly.

SEVERAL SENATORS. Vote!

Mr. TYDINGS. If there is to be a vote at this time, I will withdraw the motion; but we have been over this matter three or four times. If there is going to be a vote, I withdraw it.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Iowa to the amendment of the committee.

The amendment to the amendment was rejected.

Mr. DICKINSON. Mr. President, I offer another amendment, which I send to the desk and ask to have read.

The PRESIDING OFFICER. The amendment to the amendment will be stated.

The CHIEF CLERK. On page 27, strike out lines 21 to 25, inclusive, and on page 28 strike out lines 1 and 2 and insert in lieu thereof the following:

There shall be levied, collected, and paid on refined and unrefined sugars coming from the Philippine Islands in any calendar year the same rates of duty which are required by the laws of the United States to be levied, collected, and paid upon like articles imported from foreign countries: *Provided*, That for the first year of the existence of the government of the Commonwealth of the Philippine Islands 30,000 long tons of refined sugar and 565,000 long tons of unrefined sugar shall be exempt from the payment of said duty, and that for the second year the amounts of refined and unrefined sugars herein provided to be admitted free of duty shall be reduced by 15 per cent, for the third year by 30 per cent, for the fourth year by 45 per cent, for the fifth year by 60 per cent, for the sixth year by 75 per cent, for the seventh year by 90 per cent, and for the eighth year, and thereafter, full duties shall be paid.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Iowa to the amendment of the committee. [Putting the question.] The amendment to the amendment is not agreed to.

Mr. DICKINSON. Mr. President, I ask for the yeas and nays on that amendment. I want to see if these sugar boys will go on record.

The PRESIDING OFFICER. The Senator from Iowa asks for the yeas and nays. Is the request seconded?

The yeas and nays were ordered, and the Chief Clerk proceeded to call the roll.

Mr. BULOW (when his name was called). Making the same announcement as on the previous roll calls, I vote "nay."

Mr. COPELAND (when his name was called). Present.
Mr. LA FOLLETTE (when Mr. CUTTING's name was called). If the junior Senator from New Mexico [Mr. CUTTING] were present, he would vote "nay."

Mr. ROBINSON of Indiana (when his name was called). Making the same announcement as before with reference to my general pair with the junior Senator from Mississippi [Mr. STEPHENS], I withhold my vote.

Mr. SHORTRIDGE (when his name was called). Making the same announcement in regard to my general pair with the junior Senator from Texas [Mr. CONNALLY], I withhold my vote.

The roll call was concluded.

Mr. MCKELLAR. Making the same announcement that I have made heretofore as to my pair and its transfer, I vote "nay."

Mr. HULL (after having voted in the negative). I make the same transfer that I made a while ago, and will let my vote stand.

Mr. ROBINSON of Arkansas. I desire to announce that the Senators from Texas [Mr. SHEPPARD and Mr. CONNALLY] and the Senator from New Mexico [Mr. BRATTON] are necessarily detained from the Senate in attendance upon the funeral of the late Representative Garrett, of Texas.

Mr. FESS. I desire to announce the following general pairs:

The Senator from Idaho [Mr. THOMAS] with the Senator from Montana [Mr. WHEELER];

The Senator from Minnesota [Mr. SCHALL] with the Senator from New Mexico [Mr. BRATTON];

The Senator from Illinois [Mr. GLENN] with the Senator from Virginia [Mr. SWANSON]; and

The Senator from New Hampshire [Mr. KEYES] with the Senator from Arkansas [Mrs. CARAWAY].

The result was announced—yeas 20, nays 48, as follows:

YEAS—20

Barbour	Dickinson	Hatfield	Oddie
Capper	Fess	Howell	Patterson
Carey	Frazier	Kean	Schuyler
Dale	Goldsbrough	Moses	Shipstead
Davis	Hastings	Norbeck	Watson

NAYS—48

Austin	Cohen	Johnson	Pittman
Bailey	Coolidge	Kendrick	Reed
Bankhead	Costigan	King	Reynolds
Barkley	Couzens	La Follette	Robinson, Ark.
Bingham	Dill	Logan	Smith
Black	Gore	Long	Steiwer
Blaine	Grammer	McGill	Thomas, Okla.
Borah	Hale	McKellar	Trammell
Broussard	Harrison	McNary	Tydings
Bulkley	Hawes	Metcalf	Wagner
Bulow	Hayden	Neely	Walsh, Mass.
Byrnes	Hull	Nye	Walsh, Mont.

NOT VOTING—28

Ashurst	Fletcher	Norris	Swanson
Bratton	George	Robinson, Ind.	Thomas, Idaho
Brookhart	Glass	Schall	Townsend
Caraway	Glenn	Sheppard	Vandenberg
Connally	Hebert	Shortridge	Walcott
Copeland	Keyes	Smoot	Wheeler
Cutting	Lewis	Stephens	White

So Mr. DICKINSON's amendment to the amendment of the committee was rejected.

Mr. HARRISON. Mr. President, while the Senator from Iowa [Mr. DICKINSON] is offering amendments with reference to the tariff, merely for the delectation of the Senate I wish to recall to their minds the fact that within the last fortnight the wonderful Tariff Commission that was created by this dying administration made certain recommendations asking, on about eight products, for increased tariff duties under the flexible provision of the tariff act, all of which recommendations would have increased taxes, which President Hoover gladly accepted and approved; and in the case of two recommendations made by the Tariff Commission for decreases—one on velveteen, and the other on spades and forks and hoes for the farmer—the President declined to accept these decreases, and sent them back.

Mr. SHORTRIDGE. Mr. President, for the further delectation of the Senate, I wish to remind the Senate that within the last 10 days or two weeks the same Tariff Commission, in the exercise of its power under the so-called flexible sec-

tion of the present tariff law, denied the petitions of four or five manufacturers, the petitions being to reduce the tariff on long-staple cotton, which tariff rate of 7 cents per pound was placed on that article through the splendid efforts of the Senator from Mississippi, feebly assisted by me. We fought as brothers for that tariff duty. The legislature of the imperial State of Mississippi, by a joint resolution—their lower house being practically unanimous, with but one dissenting vote in their State senate, made up of statesmen—had called upon my distinguished friend, perhaps impliedly including me in its request, to urge and fight for a tariff on long-staple cotton. It was I who proposed the amendment, and we fought together, and we won.

Gentlemen from certain Eastern and New England States who then opposed us recently petitioned for a reduction of that rate, and after thorough examination, the Tariff Commission denied their four or five petitions—all of them—and the President of the United States promptly approved the action of the Tariff Commission.

Mr. LONG. Mr. President, a parliamentary inquiry. What is the business before the Senate at this time?

The PRESIDING OFFICER. The amendment of the committee.

Mr. HARRISON. Mr. President, I move to strike out the last word.

The PRESIDING OFFICER. The Senator from Mississippi moves to strike out the last word.

Mr. HARRISON. I did not know about this other matter before the Tariff Commission, because I have not kept up with the fight since the duty on long-staple cotton was placed in the act. I have had advices from some of my constituents to the effect that a movement was on foot to have the Tariff Commission reduce the rate, and asking me to intercede. I replied to them that the Tariff Commission was a great independent body, that it should try to ascertain the differences in costs of production here and abroad, that there should be no political influence exerted on the Tariff Commission even by the President of the United States, or even by the Senator from California.

Mr. LONG. Mr. President, will the Senator pardon an interruption?

Mr. HARRISON. Not just yet.

Mr. LONG. Just a little one.

Mr. HARRISON. I do not care to have it just now.

The PRESIDING OFFICER. The Senator declines to yield.

Mr. HARRISON. So I declined to inject myself into the Tariff Commission. May I say to the Senator from California that if the Tariff Commission should, on an investigation of the differences in the costs of production of long-staple cotton, recommend that the rate should be reduced, I should hope that the President of the United States would approve that recommendation, because it is the function of the Tariff Commission to make such investigations and report, and that is what I want them to do.

I do not believe, Mr. President, that the President of the United States should inject himself into the consideration of these tariff matters before the Tariff Commission any more than United States Senators should, and I was in hopes that the President would approve these recommendations for decreases, if he should approve some of the increases. It is a pity that on rakes and hoes and spades, those things which the farmers need at this time, the rates on which the Tariff Commission, after a full investigation, found should be reduced, the President of the United States should have injected himself into the matter and sent the recommendations back and said, "No; you are wrong on this occasion, but you are right when you want to increase tariff duties."

Mr. SHORTRIDGE. Oh, Mr. President, the President of the United States did not inject himself into the problem. Under the law the petitions were filed with the Tariff Commission—

Mr. HARRISON. He refused to accept the recommendations of the Tariff Commission.

Mr. SHORTRIDGE. They acted upon the petitions, and, under the law, the President is called upon to approve or disapprove.

Mr. BARKLEY. Regular order.

Mr. HARRISON. Now I withdraw the motion I made.

The PRESIDING OFFICER. The Senator from Mississippi withdraws his motion.

Mr. LONG. Mr. President, I think I could bring this matter to an understanding by simply quoting a little passage of Scripture, explaining that the tariff fights of the Senator from California and of the Senator from Mississippi were correct.

Where your treasure is, there will your heart be also.

That applies to the cotton for the Senator from Mississippi and to the sugar for the Senator from Louisiana. So what is this argument? [Laughter.]

Mr. SHORTRIDGE. Mr. President, to pursue this matter of a tariff just a moment longer—in a spirit of levity—I wish to call attention to this further fact that my friends, many of them on the other side of this imaginary line which divides us, stood with me in favor of increasing the rate of duty on certain poultry products, most of which, in the matter of competition, come from the Orient. Many who opposed us then recently petitioned for a reduction of those rates, and the Tariff Commission made examination and decided and reported against reduction, whereupon the President of the United States, in my judgment wisely, approved the action of the Tariff Commission. In both instances, as to long-staple cotton and as to poultry products, the President did no more than follow the advice and adopt the conclusions of the Tariff Commission.

Mr. REED. Mr. President, I did not want to interrupt this display of brotherly love on the subject of long-staple cotton; but I do not want to let the motion of the Senator from Mississippi go by without comment. In the House of Representatives it has long been the practice to move to strike out the last word. So far as I know, the motion has never before been entertained in the Senate. It has always seemed to me to be a senseless motion, and I hope that it will not become the practice of the Senate to entertain it. I wanted to enter my dissent at the beginning of that practice in this body.

Mr. NEELY. Mr. President, unlike the eminent Senators from California and Mississippi, I rise to add nothing to the "delectation" of the Senate. It is my purpose to direct attention to something that is not delightful but as important as life and death.

Under the pleasing delusion that we have been devoting our serious attention to the highly important question of Philippine independence, which is dear to every patriotic heart, we have consumed the greater part of eight legislative days in debating the relative rights of the producers of sugar in America and the islands and the measure of protection which should be provided the former against the latter.

Millions of American people are, at this hour, jobless, homeless, utterly destitute, and threatened with actual starvation.

If we continue to ignore and neglect the problem of human suffering until our army of unemployed shall have increased from 12,000,000 to more than 50 per cent of our toiling population, the awful result will probably be such as to make it a matter of little importance to this Government as well as to the Philippines what the ties that bind them to us or us to them may be.

During the last eight days many able Members have spoken eloquently and at length concerning special features of the Philippine bill. Let me raise my feeble voice in behalf of the millions of forgotten American women and men who will die of destitution during the next few months unless the Federal Government, by appropriate action, promptly rescues them from their peril. Let me implore the Senate to dispose of the Philippine bill without further delay, to the end that when we convene next Monday the perplexing problems of employing the idle, sheltering the

homeless, clothing the naked, and feeding the starving may be given prompt and effective consideration.

Mr. COSTIGAN. Mr. President, will the Senator yield to me?

Mr. NEELY. Gladly.

Mr. COSTIGAN. Strongly endorsing what the eloquent Senator from West Virginia has just said, I think it appropriate to call attention to an article in the New York Herald Tribune of this morning which states that Italy has announced that it is about to employ 300,000 idle Italians under a program of public works in a national effort to reduce human suffering in the peninsula.

May I ask the Senator from West Virginia whether he believes that the Government of the United States, through a public-works program, should not proceed far more vigorously and extensively than heretofore to employ idle men and women in this country?

Mr. NEELY. Mr. President, my answer to the question is emphatically yes. And if the remedial legislation which was so ably prepared and advocated by the distinguished Senator from Colorado [Mr. COSTIGAN] and the equally distinguished Senator from Wisconsin [Mr. LA FOLLETTE], in the last session of the Congress, had been enacted into law, my participation in to-day's debate would have been spared. Since the Government has the power to send the people of the Nation to war to fight battles, and shed their blood and die for their country, it owes its faultless millions of unemployed the duty of saving them from starving to death.

Let us pass the Philippine bill this afternoon, and then, having done justice to those who are 10,000 miles away, let us begin to discharge our duty to those who are freezing and starving at our very door.

The PRESIDING OFFICER. If there be no further amendment, the question is, Shall the amendments be engrossed and the bill read a third time?

Mr. KING. Mr. President, I offered an amendment a few days ago, and I ask the clerk to read it.

The PRESIDING OFFICER. The Senator from Utah offers the amendment which the clerk will report.

The CHIEF CLERK. On page 31 in the committee amendment, between lines 5 and 6, the Senator from Utah proposes to insert the following new paragraph:

So long as any duties may be levied and collected by the United States under this act upon any articles coming into the United States from the Philippine Islands, the government of the Commonwealth of the Philippine Islands may levy and collect duties upon any articles coming into the Philippine Islands from the United States.

Mr. KING. Mr. President, I understood the other day during the debate, that the Senator from Nevada, if not the Senator from Missouri, conceded that there was an injustice, or at least a discrimination; that we could impose restrictions or a tariff—it is true that the collections under the latter would be paid into the treasury of the Philippine Islands, but for the benefit of American bondholders—and that the Filipinos ought to be permitted to impose duties, if they desired, upon American commodities which might be introduced into the Philippine Islands. I offer the amendment in good faith, and I think it ought to be adopted.

Mr. HAWES. Mr. President, the amendment to which the Senator from Utah has referred was my amendment. It accomplishes the same results as that offered by the Senator from Utah, and I think it should be incorporated in this bill, in simple justice to the Filipino people.

Mr. BROUSSARD. Mr. President, I wish to direct a question to the Senator from Utah, the author of the amendment. As I understand it, the tax imposed upon the Filipinos is an export tax, to be turned over to their own treasury. What does the Senator's amendment propose to do—to permit them to tax us, and to keep that money?

Mr. KING. Obviously.

Mr. BROUSSARD. We are not keeping their money.

Mr. KING. We are keeping it, in an indirect way. It inures to the advantage of American bondholders. Certainly the solicitude which we are exhibiting for the American bondholders prompted the provision to which the Senator refers. I ask for a vote.

Mr. WALSH of Massachusetts. Mr. President, we were unable to hear the debate. I would like to inquire whether the amendment is acceptable to the Senator from Missouri.

Mr. HAWES. It is.

Mr. WALSH of Massachusetts. The Senator recommends its adoption?

Mr. HAWES. Yes.

Mr. HOWELL. Mr. President, the greatest external menace of the United States to-day is the possession of the Philippine Islands. We are committed to their freedom and liberty. They are demanding it now. Notwithstanding the menace, we are putting off the time of Philippine independence for 14 years. It may cost innumerable lives of our countrymen. It may cost immense treasure, and our national debt to-day is about \$21,000,000,000.

Why is it we do not end this menace immediately inasmuch as the Filipinos demand their liberty now? Why is it? It is because of a third interest—money, dollars and cents. We may rue the day that we ever put off this independence of the Philippine Islands, because we want to conserve profit for some one, for commercial interests. We should not, Mr. President, thus weigh in the balance commercial interests against the lives of our people and the tremendous cost that this menace threatens our country.

I feel inclined to vote against the bill, but if the Senate and the Congress are not willing to end this menace at once, if we must wait 14 years, I shall vote to end it at that time, as there is no possibility evidently of overcoming this commercial objection to ending it now.

Mr. BROUSSARD. Mr. President, I wish to present some figures I have prepared. In 1930 the importations of Philippine products and goods into this country amounted to \$105,882,682. I take that from the hearings in the House. Of course, their importations have increased since 1930, but I have not the 1932 figures. I have some figures that I have prepared as applied to the value of products brought into this country in 1930 free of charge.

The argument has been made that some provision should be incorporated in the bill to take care of the funded indebtedness of the Philippine Islands, and that has been the great argument used. They have seven years during which they pay no duty at all. In the eighth year they pay 5 per cent. On the basis of the 1930 figures, at 5 per cent, they would pay something over \$5,000,000. The ninth year they pay 10 per cent, and that, on the basis of the 1930 importations, will amount to \$10,588,268. The tenth year they pay 15 per cent, and that will be \$15,882,372. The eleventh year they pay 20 per cent, which will be \$21,091,536. The twelfth year they will pay 25 per cent, and that will be \$21,647,670. This makes a grand total of \$78,932,980.

This does not take into consideration the increases in the importations since 1930. It has been admitted that their total indebtedness is \$66,000,000, so if they paid all of the \$66,000,000, they would still have \$18,000,000 profit, and besides that a free market for seven years.

But I wish to invite the attention of the Senate that they have been redeeming their bonds under their present revenues at the rate of \$4,749,155 per annum. For the 7-year period they will have accumulated \$33,244,085. That, with what we are giving them back and permitting them to retain in the Philippine Islands to be applied on the debt, would take care of half of it, but we are giving them \$18,000,000 under this bill in excess of the total indebtedness to-day. That has been used as an excuse to pass the bill.

The people who are paying for this accumulation of taxes for the benefit of the bondholders in the treasury of the Philippine Islands are the farmers of this country. In addition to making them a present of this handsome sum of millions of dollars, it is proposed to permit them to tax our goods and keep that money in their treasury, and to put an export tax on what they send to this country and put that money all in their treasury, and all of that for the benefit of bondholders in the United States. Those who vote for any such amendment will know that in addition to taxing the farmers of this country much in excess of what it will be at the end of the seventh year, they will owe only

\$32,000,000, but we are making them a present of \$78,000,000, and now it is proposed to tax the goods from this country going over there. What is the justification for that? How can any man interested in American goods and American farm products subscribe to permitting the Filipino to tax his exports for the benefit of the bondholders and then again tax our products for the benefit of the bondholders? There is no American farmer holding any of the bonds, but the American farmers are made to pay off those bonds for the benefit of the commercial interests who do hold them in the United States.

Mr. HAWES. Mr. President, I dislike to occupy further time of the Senate, but I desire to give the facts in relation to this matter. The American people went to war with Spain to give the Cuban people their liberty. We were engaged only 111 days in winning for them that liberty. Then for three years we fought to conquer the Filipino people, an oriental nation, 7,000 miles away from home.

What did we do in our settlement with Spain? We cleared the debt of the Cuban people so they might face the world financially as well as politically a free nation. In our treaty of peace with Spain we allowed the Spanish people a period of 10 years in which to adjust their business in the Philippines. But now, with a question of liberty and justice before us for decision, we are asked to decide it in terms of sugar.

By a tie vote alone was freedom denied these Filipino people, in 1899, when Congress was fixing their destiny. By a tie vote was that freedom again withheld in 1916. And now, 16 years after the enactment of the Jones law, Senators threaten another denial of Philippine independence by their talk of sugar and of fears of war in the Orient. We have out there, Mr. President, 12,000,000 Christian Malays, and I say to those Senators who are afraid of trouble in the Far East that the surest way to prevent conflict in the Orient is for this Nation of 120,000,000 Christians to treat their 12,000,000 wards in the Philippines as one Christian nation should treat another.

The eyes of the whole Orient are fixed on our attitude toward the Filipinos, a people of the Orient. Five hundred million people in the Far East are waiting to see what action a great Christian nation will take when its promise is due for fulfillment. Those myriads of millions want to know on what terms their oriental fellows—our wards—are to have their freedom. Well may they ask whether freedom for the Filipinos is to be weighed against copra and oil and sugar, or whether it is going to be measured in terms of American principles and traditions, of American regard for the sanctity of promises. Twelve million Christian Malays are waiting for our word. What message shall this Nation, this great American Nation, send them? We have been proud to tell the world of our kindness to our wards, to recount the good we have wrought for them. What shall the western Nation of 120,000,000 people say to the 500,000,000 of Orientals? Shall we say that this Christian Nation of the Occident has put human liberty and its own honor in the balance with pearl buttons and copra and sugar?

Mr. President, we are not concerned, either, with a question of redeeming bonds and paying the bondholders. It is a question of insuring to the Filipino people a safe economic condition of their affairs when they shall have begun to use and enjoy their liberty. Let me say just a word about sugar. I find that 91 per cent of the sugar in the Philippines is owned by the Filipino people, only 4 per cent by Americans, and 5 per cent by Spaniards. I find that of the money invested in the sugar industry of the islands 43 per cent belongs to Filipinos, 33 per cent to Americans, 22 per cent to Spaniards, and 2 per cent to citizens of other countries.

Mr. President, the American people forced the production of sugar upon the Filipino people. We Americans actually lent them through our banks \$40,000,000 to stimulate the production of sugar. Mr. Harvey Firestone went to the Philippines with his dream that the Philippines might produce rubber. We sent experts there and persuaded them to raise coffee. During the World War period when sugar was a commodity in demand throughout the world, American

capital was urged to go to the Philippines to extend and intensify the planting and production of sugar. With all these facts in mind, we are asking this 10-year period for the same purpose for which the American people gave a like period to the Spanish. That we ask not only as a matter of justice to the Filipinos but also as an assurance that when liberty enters their islands she shall not have an American mortgage around her neck. That is all.

It is my hope that within a few days the Senate and the House, where there were only 47 votes against this charter of Philippine liberty, will have delivered a message that will bring cheer and happiness to our 12,000,000 Christian wards far away in the Orient, surrounded by non-Christian people, and that it will be such a proof of our good faith as all orientals shall understand and appreciate. That will do more to solve the problems and conserve the peace of the Orient than any other course we could take.

We owe something to those people. Their quest for liberty is not of recent origin. Almost ever since we raised the American flag over the Philippines and ever since their legislature was established they have sent delegations here to petition for independent nationhood. In our committee hearings we asked for the name of any Filipino who did not want liberty. After much persistence upon the part of the committee the names of seven Filipinos were given, and those were all that could be found.

Now in the season of Christmas, at a time when our thoughts are upon that day of good will to men, time is being consumed, not in what should be a discussion of liberty and justice and American principles but in talk about pearl buttons, sugar, oil, and copra. Twenty-one Members of the House committee heard all the evidence—and there has been more evidence taken on this subject than on any other one since I have been a Member of the Senate—and they all agreed that the honorable thing to do was to fix these limitations at the status quo. That also was agreed to by every member of the Senate committee excepting one—the Senator from Louisiana. He is the sole exception.

Now what is the object of those limitations? Only one thing, and that is to afford a period of time during which the Philippine people, who had these artificial conditions forced upon them by the American Congress may have a fair chance to pay their bills and to face the future as a Christian republic in the Orient, free from debts of the past and free from fear of the future.

The PRESIDING OFFICER. The question is on the amendment offered by the Senator from Utah [Mr. KING].

Mr. BINGHAM. Mr. President, as I understand the amendment, so long as any duties are levied and collected by the United States on articles coming from the Philippines the government of the Philippine Islands may collect and levy duties on any articles coming into the Philippines from the United States. There are no limitations at all. In other words, as soon as we start collecting any duty on sugar or coconut oil over and above the free limitation provided in the bill, the Philippine government then will be free to levy duties on everything going from this country into the Philippine Islands. We have provided during the first few years for the maintenance of the status quo, at least the committee tried so to provide and the bill very nearly so provides, with certain amendments; but the Senator from Utah in offering his amendment has not provided at all for maintaining the status quo on goods going from the United States into the Philippine Islands. Is that a correct statement, may I ask the Senator?

Mr. KING. Mr. President, during the debate upon this bill a few days ago it was suggested that it was unfair discrimination against the Philippine government to be established under the bill to restrict exports from the Philippines to the United States and to impose export duties upon certain commodities shipped to the United States. I understood, as a result of the discussion, that those having the bill in charge would offer an amendment providing that the Philippine government might impose tariffs upon American products landed in the Philippines so long as Philippine products were subjected to restrictions or tariff duties, direct

or indirect, that might be brought into the United States. It has been conceded that the legislation enacted by Congress has forced the Philippine trade out of channels into which it might have gone, and compelled the Filipinos to trade almost exclusively with continental United States. The tariff act of 1909 was almost an embargo upon products originating in other countries than the United States, which might have sought entry into Philippine ports.

Obviously the Filipinos in their future development must secure markets in other countries, particularly when their exports to the United States are subject to the same tariff duties as are all other commodities imported into the United States. If we are to restrict, as this bill does, Philippine commodities and, after a given period, subject certain exports to the United States to export duties, then it would seem only fair that the Philippine government should have authority to impose tariff duties upon commodities exported from the United States to the Philippine Islands. It would not be just to adopt a policy which, in effect, operated as a restriction or a tariff upon and against their products shipped to the United States, and then compel them to admit, free of duty, American commodities. The Filipinos must, if the pending measure becomes law, seek broader markets and develop trade and commerce with other nations. The amendment which I offer, imperfect as it is and subject to more or less criticism if not objection, is an effort in the direction of ameliorating the conditions which the proposed measure before us will create. The reasons discussed a few days ago which suggested this amendment are reasons in favor of legislation that does not impose restrictions, embargoes, and tariffs in dealing with the Philippine problem, but which provides for early Philippine independence.

Mr. BINGHAM. I should agree with the Senator in his position if he would change his amendment so as to have it do for the the United States exporter, by maintaining the status quo, what we have endeavored to do for the Philippine exporter by the provisions of the bill maintaining a status quo on goods coming into the United States from the Philippine Islands; but it does not appear to me that the Senator's amendment, in its present form, is fair, in that it permits a very large portion of all the exports coming from the Philippines at the present time to come in free of duty, placing a tariff duty only on the excess over that, and then turns around and gives them a chance to place a tariff on our goods without any maintenance of the status quo of free trade with the Philippine Islands.

The PRESIDING OFFICER. The question is on the amendment proposed by the Senator from Utah.

The amendment was rejected.

Mr. KING. I offer an amendment in the nature of a substitute for the pending bill.

The PRESIDING OFFICER. The amendment, in the nature of a substitute, will be stated.

The CHIEF CLERK. It is proposed to strike out all after the enacting clause, and in lieu thereof to insert the following:

That the Philippine Legislature is hereby authorized to provide for the election of delegates to a constitutional convention, which shall meet in the hall of the house of representatives in the capital of the Philippine Islands at such time as the Philippine Legislature may fix, not earlier than one year and not later than 18 months after the enactment of this act, to formulate and draft a constitution for a free and independent government of the Philippine Islands. The Philippine Legislature shall provide for the necessary expenses of such convention.

Sec. 2. The constitution formulated and drafted by the constitutional convention shall, either as a part thereof or in an ordinance appended thereto, provide substantially as follows:

(1) That the property rights of the United States in the Philippine Islands shall be promptly adjusted and settled, and that all existing property rights of citizens or corporations of the United States shall be acknowledged, respected, and safeguarded to the same extent as property rights of citizens of the Philippine Islands.

(2) That the Philippine government will sell or lease to the United States lands necessary for coaling or naval stations at certain specified points to be agreed upon with the President of the United States within two years after his proclamation recognizing the independence of the Philippine Islands.

(3) That the officials elected pursuant to the provisions of this act for the Philippine government to be formed under the consti-

tution thereof shall be constitutional officers of said government and qualified to function in all respects as if elected directly pursuant to the provisions of the constitution, and shall serve their full terms of office as prescribed in the constitution.

(4) That the debts and liabilities of the Philippine Islands, its Provinces, cities, municipalities, and instrumentalities, which shall be valid and subsisting at the time of the approval of the proposed constitution, shall be assumed by the government established thereunder; and that where bonds have been issued under authority of an act of Congress of the United States by the Philippine Islands or any Province, city, or municipality therein, the Philippine government will make adequate provision for the necessary funds for the payment of interest and principal, and such obligations shall be a first lien on the taxes collected in the Philippine Islands.

(5) That by way of further assurance the government of the Philippine Islands will embody the foregoing provisions (except par. 3) in a permanent treaty with the United States.

Sec. 3. If a constitution is formed in compliance with the provisions of this act, the said constitution shall be submitted to the people of the Philippine Islands for their ratification or rejection, at an election to be held within eight months but not later than one year after the completion of the constitution, on a date fixed by the Philippine Legislature, at which election the qualified voters of the Philippine Islands shall have an opportunity to vote directly for or against the proposed constitution, or for or against any proposition separately submitted. Such election shall be held in such manner as may be prescribed by the Philippine Legislature, to which the return of the election shall be made. The Philippine Legislature shall by law provide for the canvassing of the return and if a majority of the votes cast on that question shall be for the constitution, shall certify the result to the Governor General of the Philippine Islands, together with a statement of the votes cast thereon, and upon separate propositions, and a copy of said constitution, propositions, and ordinances.

Sec. 4. The Governor General of the Philippine Islands shall, within six months after the receipt of such certification, issue a proclamation for the election of the officials provided for in the constitution, such election to take place not earlier than six months nor later than eight months from the date of the proclamation of the Governor General. The election of such officials shall be held in such manner as may be prescribed by the Philippine Legislature.

Sec. 5. The returns of the election of the officials for the independent government of the Philippine Islands shall be certified by the Governor General of the Philippine Islands to the President of the United States, who shall, within four months after the receipt of such certification, issue a proclamation reciting the facts of the formation of the constitution for the Philippine Islands and the election of the officials provided for in such constitution as hereinbefore provided, announcing the results of such election, and designating a time, not earlier than six months and not later than one year after the date of the issuance of such proclamation, when the government of the Philippine Islands will be turned over to the duly elected officers, and such officers will begin to function under the constitution. At the time designated in such proclamation the President of the United States shall withdraw and surrender all rights of possession, supervision, jurisdiction, control, or sovereignty then existing and exercised by the United States in and over the territory and people of the Philippine Islands, and, on behalf of the United States, shall recognize the independence of the Philippine Islands as a separate and self-governing nation and acknowledge the authority and control over the same of the government instituted by the people thereof, except that the President shall reserve to the United States such lands and rights and privileges appurtenant thereto as may at the time of the transfer be possessed by the United States as naval bases or coaling stations.

Sec. 6. Upon the proclamation and recognition of the independence of the Philippine Islands under their constitution, the President shall notify the governments with which the United States is in diplomatic correspondence thereof and invite said governments to recognize the independence of the Philippine Islands.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Utah to the amendment of the committee.

Mr. KING. Mr. President, the debate upon the pending bill has been so protracted and the questions involved so fully discussed I shall content myself with a very few observations in support of the substitute which I have offered. I am fortified in that conclusion because of the lateness of the hour and the feeling upon the part of Senators that a vote should be had before we conclude the session to-day.

For 10 years I have been urging the Senate to grant independence to the Filipinos. I have, upon a number of occasions during that period, offered bills to accomplish that result and have also presented resolutions requesting the President of the United States to negotiate treaties with governments having interests in the Pacific under the terms of which the independence of the Philippine Islands would be recognized and the territorial integrity of the Philippine

government respected. I have not been satisfied with the so-called Hare bill passed by the House of Representatives a few months ago, nor am I satisfied with the substitute therefor which came from the Senate Committee on Territories and Insular Affairs or with the substitute offered by the Senator from Michigan [Mr. VANDENBERG]. As I have heretofore stated, when discussing the amendment offered by the Senator from Iowa [Mr. DICKINSON], the bill for which I am offering a substitute contains provisions to which I can not subscribe. As I have heretofore stated the Filipinos, in my opinion, are entitled to absolute independence and that independence should be granted to them to take effect within a period of not exceeding five years. I believe that it will be advantageous for the Filipinos to have their independence within the period indicated.

If they are assured of that fact, they will with zeal and courage address themselves to the economic and political questions with which they will be confronted, and they will bring about such an adjustment of their economic condition as will be most conducive to their peace and welfare. Undoubtedly they will have serious problems to meet; but with the certainty of independence within the period indicated, they will with greater zeal and vigor address themselves to their solution. To retain American sovereignty over the Philippines for the long period provided in the so-called Hawes-Cutting bill will not, in my opinion, produce the most satisfactory results; nor do I believe that if that measure is enacted into law it will meet the wishes of a majority of the people of the Philippine Islands.

The Filipinos believed they were capable of self-government when they won their independence from Spain, and during the intervening years they have insisted that the United States withdraw its sovereignty and grant to them independence.

It has been demonstrated that the Philippine Islands have resources for the maintenance of a strong and progressive independent state, and the many hearings that have been conducted by the House and the Senate committees furnish conclusive evidence that the Filipinos have attained those standards of education, culture, and political wisdom and understanding that justify their demands for freedom and inspire confidence in their ability to maintain an independent and progressive government.

Mr. President, if the Filipinos were entitled to their freedom at any time during the past quarter of a century, obviously they are entitled to now ask at the hands of the American people the enactment of a measure that will enable them to set up within a very brief period a government which meets their desires. To postpone the day of their emancipation from American authority is, in my view, not the highest service we could render to the Filipinos. To provide for their speedy independence will bring the most satisfactory results and enable them to more expeditiously obtain economic sufficiency and political security. If the substitute which I have offered were enacted into law it would give faith and courage to the Filipinos; it would inspire them to adopt and execute policies under which, when independence came, they would be able to meet whatever difficulties and vicissitudes their government might encounter.

The provisions of the substitute just offered are substantially those found in various bills which I have offered during the past 8 or 10 years. I have never departed from the view which I have entertained for years, that the best interests of the Filipinos would be served by granting their request for independence. The various plans suggested for delay in meeting the demands of the Filipinos have failed to convince me of their merit or to shake my confidence in the capacity of the Filipinos to embark upon the great adventure of independence. The substitute offered contains all necessary steps to be taken in order that independence may be achieved. If the narrowest time limits provided are followed, independence would result in 37 months. If the Filipinos availed themselves of the maximum period the sovereignty of the United States would not be withdrawn for 60 months; in other words, if the Philippine Legislature

desired independence for the Filipinos at the earliest possible date, 37 months only would be required to bring about that result. If, upon the other hand, they preferred a longer period and desired to avail themselves of the extreme limits provided they could postpone independence for a period of five years after the substitute became a law.

Mr. President, I submit the substitute and urge its adoption.

Mr. VANDENBERG. Mr. President, will the Senator yield?

Mr. KING. I yield.

Mr. VANDENBERG. May I ask the Senator whether his substitute includes the same type of provision as that which concludes the pending bill, requiring the approval of the Philippine Legislature before it becomes effective?

Mr. KING. No.

Mr. VANDENBERG. Would the Senator object to adding to his substitute the same language that is carried in the pending bill? I read it, as follows:

The foregoing provisions of this act shall not take effect until accepted by concurrent resolution of the Philippine Legislature or by a convention called for the purpose of passing upon that question as may be provided by the Philippine Legislature.

Would the Senator object to adding that to his substitute?

Mr. KING. Let me ask the Senator: When may that step be taken?

Mr. VANDENBERG. It would be the preliminary step to making this action of the Congress effective.

Mr. KING. But it would be within the period prescribed in the substitute?

Mr. VANDENBERG. Oh, yes.

Mr. KING. I have no objection to accepting that as an amendment.

Mr. VANDENBERG. I offer that amendment to the substitute.

Mr. KING. I accept it.

The PRESIDING OFFICER. The Senator from Utah modifies his amendment by the proposal of the Senator from Michigan?

Mr. KING. I do; and with that modification I ask for a vote upon the substitute.

The PRESIDING OFFICER. The question is on the amendment, in the nature of a substitute, offered by the Senator from Utah [Mr. KING].

Mr. HAWES. Mr. President, just a word.

When the Filipinos write a new history, after they shall have founded their new republic, one of the most illustrious names to adorn the record of their fight for liberty will be that of the Senator from Utah [Mr. KING].

Year after year, long before I became a Member of this body, and since, with the thought of liberty foremost in his mind, he has advocated immediate independence for the Philippines. That, also, was my own thought in the beginning. The first bill I introduced was for independence in five years; but the exhaustive testimony before the House committee, and the long 2-session hearings in the Senate proved to the members of the House committee and most of the members of the Senate committee that it could not be done. So both of these committees, faced by realities, rejected the high ideal of the Senator from Utah, and they rejected also the different thought of the Senator from Michigan [Mr. VANDENBERG].

As we are approaching a decision in this matter, I should be omitting a duty did I not make this plain statement, and also pay the highest compliment that I might pay, and which I know the Filipinos will pay in their history, to the distinguished Senator from Utah.

At the same time I should like to make a confession to the Senate.

I listened for days and days and for some hours to constitutional arguments made by the Senator from New York [Mr. COPELAND]. A little impatient possibly, a little afraid that liberty would not be given these people before Christmas, perhaps even a little irritated, as I may have been sometimes, I did not follow the Senator from New York quite as closely as I had intended. During the last three evenings, however, I have read his speeches and followed his

contention that an amendment to the Constitution was necessary to empower Congress to grant Philippine independence. I find it a very able and very logical statement of his position, and I want to say to the Senate, as I have said to my own consciousness, that I am sorry I imputed to the Senator from New York a purpose which was far from him.

The PRESIDING OFFICER. The question is on the amendment, in the nature of a substitute, offered by the Senator from Utah [Mr. KING].

The amendment, in the nature of a substitute, was rejected.

Mr. PITTMAN. Mr. President, there is a perfecting amendment which will have to be adopted to make the bill conform to the amendments that have already been adopted.

There is in the bill a provision for a conference between our Government and the Commonwealth of the Philippine Islands one year before complete independence. The language should be changed. At present it reads:

That within six months after the people of the Philippine Islands have voted on the question of Philippine independence, if a majority of the votes cast are in favor of independence—

That should be stricken out and the following language should be inserted—

Provided, That at least one year prior to the date fixed in this act for the taking effect of the independence of the Philippine Islands.

The PRESIDING OFFICER. The amendment offered by the Senator from Nevada to the amendment of the committee will be stated.

The CHIEF CLERK. On page 40, line 23, after the word "countries," it is proposed to strike out "*Provided*, That within six months after the people of the Philippine Islands have voted on the question of Philippine independence, if a majority of the votes cast are in favor of independence," and to insert in lieu thereof the following:

Provided, That at least one year prior the date fixed in this act for the taking effect of the independence of the Philippine Islands.

The PRESIDING OFFICER. The question is on agreeing to the amendment offered by the Senator from Nevada to the amendment of the committee.

The amendment to the amendment was agreed to.

The PRESIDING OFFICER. If there be no further amendment to be proposed, the question is, Shall the amendment be engrossed and the bill be read a third time?

The amendment was ordered to be engrossed and the bill to be read a third time.

The bill was read the third time.

The PRESIDING OFFICER. The bill having been read three times, the question is, Shall it pass?

The bill was passed.

PAYING TOO MUCH FOR ELECTRICITY

Mr. BLACK. Mr. President, I ask unanimous consent to have printed in the RECORD a very interesting article appearing in The New Republic of December 21, 1932, by Mr. Morris Llewellyn Cooke, the title of which is "Paying Too Much for Electricity."

There being no objection, the article was ordered to be printed in the RECORD, as follows:

[From the New Republic, December 21, 1932]

PAYING TOO MUCH FOR ELECTRICITY

It seems clear that the American people are definitely of the opinion that retail electric rates are excessive. Householders are asking why they are compelled to pay, say, 7 cents per kilowatt-hour for current which their neighbor, the big industrialist, purchases for, say, 7 mills, to operate his blast furnaces, mines, and railways. The merchant, the farmer, and the city councilor negotiating a contract for street lighting also question the rates charged them.

Our ambassador to Germany, the Hon. Frederic M. Sackett, gained nation-wide popularity for his remark at the world power conference in Berlin two years ago to the effect that he knew of no other manufacturing industry where the sale price of the product to consumers is fifteen times the actual cost of production. In my opinion the ambassador overestimated the spread. On the other hand, the rejoinder of the spokesmen for the industry was unsatisfactory. The next day George N. Tidd, at Berlin, and J. F. Owens of the National Electric Light Association, then in convention in San Francisco, both explained that the apparently

excessive price to domestic users for electric service was due to the high cost of distribution. Bananas, they said, were cheap off the plants in Central America, but necessarily cost many times more in a grocery store in New York. The gentlemen were quite right. It does cost more per unit to deliver electric energy in small quantities to a house on a side street than in huge volume to a great industrial plant—but how much more? That is what they failed to state and what the American people, and presumably Mr. Sackett himself, would like to know.

The surprising thing is that had Ambassador Sackett put this question to his critics they could not have answered him, because they did not know. The whole electrical industry could not have answered him, because it does not know. Its executives can tell you to the fraction of a mill what it costs to generate electricity, or what it costs to transmit current over high-tension lines for 10 miles or 350 miles. But they do not know what it costs per kilowatt-hour to distribute energy from a local switchboard or the step-down station at the end of a transmission line to houses, stores, and streets—a distance usually not more than 5 miles.

They have not investigated or discovered this important fact about their business in all the 50 years of its existence. Had Mr. Sackett gone to the libraries, even the engineering libraries, he would have found no light on this subject. Had he turned expectantly to the great engineering societies he would have been no better off.

The electric-service companies do not claim to keep cost accounts on distribution by such methods as are employed in every phase of the steel, clothing, paper, and other industries. Only a few years ago every operating company in Pennsylvania officially advised an investigating commission that cost keeping in the domestic field was not attempted. Mr. Alex Dow, president of the Detroit Edison Co., recently testified to the same effect. The Electrical World, recognized organ of the industry, in its leading editorial for the issue of March 7, 1931, "Turn More Light on Distribution Costs," frankly admitted the entire absence of these data and emphasized their public importance.

This indifference to distribution costs has been studied and deliberate. It is well known that the uniform classification of accounts required of electrical companies by State public-service commissions originated with the National Electric Light Association. It provides no possibility of cost-finding on distribution. As a result the regulators know nothing of this matter. The absence of distribution-cost data has barely attracted their attention. Further, the rate research committee of the National Electric Light Association has studiously avoided the question.

The upshot is that while the householder and commercial manager are told that their higher rates are primarily due to the high cost of distribution, there are absolutely no scientific data upon which such costs are based. The importance of the issue here raised becomes apparent when we consider that while the national electrical bill for 1931 was \$2,000,000,000, 70 per cent of this amount, or \$1,400,000,000, was paid by the retail consumers. The energy they used possibly cost the companies \$400,000,000 to generate and transmit to local substations. Therefore the retail users paid \$1,000,000,000 for local distribution. The item is impressive. In the absence of a proper engineering, cost-finding technique we are compelled to resort to other methods in an effort to determine whether the above-estimated distribution-cost figure is excessive and, if so, to what degree. The cost of distribution is a matter of concern to three classes of electric service: (1) Domestic, including rural; (2) commercial light and power, retail; and (3) municipal, largely street lighting. The current consumed by each class, the revenue derived therefrom and the average rates paid in 1931 as reported by the National Electric Light Association were as follows:

	Kilowatt-hours	Revenue	Average rate per kilowatt-hour
			Cents
Domestic.....	11,785,000,000	\$686,000,000	5.82
Commercial light and power.....	13,837,000,000	\$660,000,000	4.11
Municipal and street lighting.....	2,793,800,000	108,000,000	3.87
	28,415,000,000	1,363,000,000	4.80

To determine what part of this total charge for retail service belongs to distribution we may assume that the "transmitted current" costs on the average $1\frac{1}{2}$ cents per kilowatt-hour, including return on invested capital. The national average rate paid for wholesale transmitted power in 1931 was 1.48 cents per kilowatt-hour.

There are municipalities owning their distribution systems, but buying current at wholesale, who pay for it in the neighborhood of 1 cent per kilowatt-hour. That part of the sales price, therefore, which may be said to be attributable to the total national consumption of 28,415,000,000 kilowatt-hours would be not more than \$426,225,000. Subtracting this from the \$1,363,000,000 of total revenue, there remains \$936,775,000 to be justified as the cost, including profit, of distribution, or nearly one-half the revenues of the industry. A distribution overcharge of major proportions is here clearly indicated. This overcharge, as before stated, can not be exactly determined. It can, however, be roughly approximated.

There is support for the statement that "the whole cost of distribution is approximately \$7.50 per year per domestic con-

sumer for 500 kilowatt-hours of service, or $1\frac{1}{2}$ cents per kilowatt-hour." If, then, the cost of current ready for delivery is $1\frac{1}{2}$ cents per kilowatt-hour and the distribution cost is $1\frac{1}{2}$ cents, a fair average price to the domestic consumer would be 3 cents per kilowatt-hour with a fair profit left to the industry. But reports show that in 1931 the national average collected by the industry was 5.82 cents. Subtracting, we arrive at a suggested excess charge of 2.82 cents. Apply this to the nearly 12,000,000,000 kilowatt-hours used in domestic service for that year and we arrive at an estimated unjustifiable charge of \$330,000,000 for distribution expense. Even allowing 2 cents for distribution, the overcharge will still total \$275,000,000.

In commercial service the average use per customer is much higher than domestic use and other factors are more favorable. Allowing $1\frac{1}{4}$ cents for cost of current and the same for distribution, the overcharge in this field would be over \$200,000,000. Even using the same cost figures as for domestic service, an overcharge of \$150,000,000 is indicated. As for municipal service, no approximation of overcharge is possible because of varying local conditions and contracts. Hence, until we have some definite cost data scientifically determined to the contrary, the estimate of \$400,000,000—possibly \$500,000,000—annual overcharge on distribution seems justified and conservative, this despite the possibly misleading character of general averages when applied to certain special local conditions. The figures here used, however, are well within the facts for a great majority of urban situations.

Substantial support is given these estimates by the unexplained differences between the general level of rates charged by private and by the public plants. In Ontario, Canada, for instance, in the year 1930-31, the householders in 289 cities, towns, and hamlets paid just a little over $1\frac{1}{2}$ cents per kilowatt-hour. In Seattle, where the public plant is in competition with a private plant, the average domestic cost is 2.8 cents and in Tacoma 1.72 cents per kilowatt-hour. In Winnipeg and Fort William it was 8 mills; in Ottawa 9 mills. Thus our national average cost per kilowatt-hour is more than three times that of Ontario and well over double that in several American cities having public plants. This difference in rates, though not an accurate measure of the difference in costs, is far too large to be accounted for by taxes and profits paid by private companies, charges which public plants customarily do not have to meet. The discrepancy is further emphasized by the fact that the capital outlay of public plants both in Ontario and the United States is being amortized, so that in time the people will own the plants outright. Under private ownership no such deduction is made, so that a return must be paid indefinitely by the public on the capital invested.

In spite of the dramatic drop in electric costs during the last 10 years, rates for the great majority of small consumers have remained practically stationary. The average rates reported have fallen because a small percentage of the more well-to-do customers have received the advantage of the lower rates in the stepped-rate schedules. In many places the changes in demand charges, service charges, minimum charges, etc., have actually raised rates for large numbers of consumers.

Notwithstanding this discrimination in rates, however, the consumption of electricity in our homes is slowly increasing. In 1926 the average domestic revenue stood at \$29.70 and at \$33.70 in 1931. Yet the industry has doubtless obtained a greater profit both per domestic consumer and per kilowatt-hour used in domestic service with each drop in the national average of rates paid. The principal added expense to the companies has been for the current itself. If we compute the cost of this current at $1\frac{1}{2}$ cents per kilowatt-hour, we find that in each of the last five years the cost of the added current is only about half the added revenue received. Normal business usage in other lines suggests a smaller profit per unit as the number of units sold increases. In view of the fact that increased consumption at lower rates not only insures larger net profits to the industry but removes the public feeling that it has an antisocial attitude, it is puzzling to understand why the industry has so persistently fought to maintain high rate levels.

That low rates result in greatly increased consumption is easily demonstrated. In the United States the average family consumption is less than 600 kilowatt-hours per year; in Seattle it is nearly 1,200; in Ontario as a whole, 1,600; in Winnipeg over 4,000 kilowatt-hours per year. It is clear that if we abandon our present topsy-turvy rate structure based on "all the traffic will bear" and replace this by one based on actual cost plus a fair profit, our present domestic use can speedily be trebled.

As a by-product a much better feeling on the part of the public toward the industry will be engendered. The people are now aware, from the revelations of the Federal Trade Commission investigation, that misleading propaganda, political activities, and other antisocial practices sponsored by the National Electric Light Association and other agencies of the industry are largely paid for out of profits yielded by high rates to retail consumers.

To understand how the electrical industry has ignored modern cost accounting in the field under discussion one must go back 50 years to the time when electricity was used almost exclusively for lighting during a few hours at night. To succeed it was necessary to put the plant at work in the daytime. Hence the urge to sell current to factories for industrial purposes. This technically was called improving the load factor. It seemed, and was at that time, more important to find customers who could use electricity in off-peak hours for plants designed primarily for night lighting. This absorbed the attention of the engineers and the executives, and little attention was paid to distribution. But

now, that about half the revenue received is from distribution amounting to \$1,000,000,000 annually—\$8,000,000,000 in the last 10 years—through the tremendous growth of domestic usage, there is an obligation on the industry to give retail consumers the benefit of scientific cost finding in respect to distribution already given to other consumers in the field of generation and transmission.

The importance of the domestic business as a financial stabilizer has, during the depression, been impressed upon the industry. While industrial use has materially decreased, household consumption of electricity has increased, and the total earnings show a decline of but 1.2 per cent. Again the load factor in domestic use compares favorably with that of industry. A study by the Commonwealth Edison Co. of Chicago disclosed it to be 31 per cent. The old arguments seeking to justify discrimination against the retail consumer are disappearing. As a matter of fact, the most promising load builder for the immediate future lies in increased domestic use. But that result will not follow to the desired extent if the industry continues to penalize its customers in the home.

If it is objected that the further extension of the accounting classifications will burden the industry by an added expense, the answer is that the expense will not be increased, because it is proposed to substitute for the present meaningless and cumbersome system a truly scientific system which will prove profitable both to the industry and to the consumers. To date accounting in the industry has been developed almost wholly by accountants who knew nothing of the necessary engineering techniques. The time has come when the engineer must be called in, for the reason that, in order to practice effective cost finding, expenses must be subdivided in accordance with the plant and work units involved. Each unit must have its standard, and comparisons must be made between the units and actual costs progressively as the work goes forward. It is not a question of further subdivision of accounts or more elaborate distribution of general and overhead expense, but better organization of accounts and a more obvious tie-in of costs with the general books.

It is not hoped to obtain costs which are absolutely correct, but to obtain comparable costs under different conditions and in different localities for the light which these costs will throw upon the relative value of different devices, methods, and administrative policies.

It is pertinent here to take note of a recent decision by the Indiana Public Service Commission in the Martinsville-Wabash electric case, now before the United States Supreme Court. The commission fixed the domestic rate by first ascertaining the cost of "transmitted current" at the city limits. To this was added only the local distribution expense incurred within the city limits. This simplifies rate-making procedure. The significance of this case lies in the fact that a commission has recognized that retail costs consists of two factors: The one, the cost of transmitted current, which is now generally known within reasonable limits; the other, local distribution costs, a scientific method of determining which must be devised.

The appliances of distribution, however much they may vary in size and number, are always the same. Everywhere and always we have poles, wires, transformers, meters, and sometimes underground ducts. These factors are so constant that the day is not far off when, given a few easily obtained facts about a given community, the rates for retail electric service will be quickly determined on a slide rule. Such a development, however, would throw into the discard every retail rate schedule in the United States. By eliminating many present wasteful practices based on guesswork, as well as unjust overcharges on distribution, costs will be obtained which will drive drudgery out of the home and off the farm. The ledger balance of the commercial houses will be removed farther from the red and the tax levy for street lighting will be lessened. Another result of importance to investors and promoters will follow: The temptation will be materially lessened to form holding companies, whose chief reason for existence has been to provide reservoirs in which to drain off, and so conceal, the unjustified profits taken from retail consumers by operating companies.

MORRIS LLEWELLYN COOKE.

MERGER OF DISTRICT STREET-RAILWAY CORPORATIONS

Mr. AUSTIN. Mr. President, I move that the Senate proceed to the consideration of House Joint Resolution No. 154, to authorize the merger of street-railway corporations operating in the District of Columbia, and for other purposes.

The PRESIDING OFFICER. The question is on the motion of the Senator from Vermont.

Mr. BLAINE. Mr. President, I desire to address an inquiry to the Senator from Oregon [Mr. McNARY]. Is it the Senator's purpose to move to adjourn or to recess this evening?

Mr. McNARY. If it is not sought to consider the pending motion to-night, I shall move a recess until 12 o'clock on Monday.

Mr. BLAINE. For the convenience of the Senate and for the information of the Senator from Oregon, I desire to state that I shall resist the motion.

Mr. McNARY. Very well. Mr. President, a parliamentary inquiry.

The PRESIDING OFFICER. The Senator from Oregon will state it.

Mr. McNARY. Upon a recess, the pending motion will be ready for consideration on Monday?

The PRESIDING OFFICER. It will.

RECESS

Mr. McNARY. I move that the Senate take a recess until 12 o'clock noon on Monday.

The motion was agreed to; and (at 4 o'clock and 40 minutes p. m.) the Senate took a recess until Monday, December 19, 1932, at 12 o'clock meridian.

HOUSE OF REPRESENTATIVES

SATURDAY, DECEMBER 17, 1932

The House met at 12 o'clock noon.

The Chaplain, Rev. James Shera Montgomery, D. D., offered the following prayer:

O Lord, our Heavenly Father, Almighty and Everlasting God, we entreat Thee to meet with us; enrich and ennoble our aspirations, our thoughts, and our endeavors. We would have within ourselves an altar dedicated to Thy service. All that is best in humanity springs from this unseen depth. Grant unto us a full apprehension of our indebtedness to our fellow men. We pray that Thou wilt help us to deal nobly and justly with all events and all questions that come to us. We thank Thee for the world's purest Teacher, who has revealed unto us the peerless depths of eternal truth. To turn to Him in the simplest, childlike trust is to feast upon the bread of the ageless life. Bless all missions and all labors of love and charity; breath upon them something of Thine own spirit as they minister unto the poor and the distressed. Amen.

The Journal of the proceedings of yesterday was read and approved.

INTERIOR DEPARTMENT APPROPRIATION BILL

Mr. HASTINGS. Mr. Speaker, I move that the House resolve itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill (H. R. 13710) making appropriations for the Department of the Interior for the fiscal year ending June 30, 1934, and for other purposes.

The motion was agreed to.

Accordingly the House resolved itself into the Committee of the Whole House on the state of the Union for the further consideration of the bill H. R. 13710, with Mr. BLAND in the chair.

The Clerk read the title of the bill.

The CHAIRMAN. When the committee rose an amendment had been offered by the gentleman from Montana [Mr. EVANS] and the reservation of a point of order had been made by the gentleman from Wisconsin [Mr. STAFFORD]. There also had been passed over the paragraph beginning on page 27, line 3, and extending through to line 17, to which amendments had been offered for information, to which objections were to be made.

Does the gentleman from Wisconsin [Mr. STAFFORD] desire to interpose the point of order to the amendment offered by the gentleman from Montana [Mr. EVANS]?

Mr. STAFFORD. Since the adjournment of the House I have followed the hearings and have come to a more or less definite conclusion as to the merits of the proposition and what the policy of the House should be, but I think it is only fair to give the gentleman from Montana an opportunity to explain the purpose of his amendment.

The CHAIRMAN. The gentleman from Wisconsin still reserves his point of order?

Mr. STAFFORD. Oh, yes; most assuredly.

The CHAIRMAN. The gentleman from Montana is recognized for five minutes.

Mr. EVANS of Montana. Mr. Chairman, I think, perhaps, I covered the ground fairly well in the remarks I made yesterday, and I think almost anything I could say now would

be but a repetition of what appears in the RECORD this morning as to the merits of this particular amendment.

There is no question if this or some similar amendment is not adopted we are going to wreck a considerable portion of this project. We now have \$4,500,000 or \$5,000,000 invested in it. If these distressed people can not get water this year, they will have simply sacrificed their life savings and work.

As I said yesterday, they are not asking that you cancel these charges. They are asking that you grant them a temporary moratorium, that you carry it into the general construction, and that they will pay interest on it; but to pay it now in order to get water this year is a physical impossibility. They are more or less in the position of the hunger army; they simply have not got the money; and the Government comes in and violates the precepts of the President and everybody else, that, so far as possible, we should cease to foreclose upon people who can not pay their obligations in these distressed times.

Mr. KELLER. Who is objecting to this item?

Mr. EVANS of Montana. Nobody is objecting. The gentleman from Wisconsin has reserved a point of order on it.

Mr. FRENCH. Mr. Chairman, will the gentleman yield for a question?

Mr. EVANS of Montana. I yield to the gentleman from Idaho.

Mr. FRENCH. May I ask if, under the general law, the Secretary of the Interior has authority to waive the deferred charges?

Mr. EVANS of Montana. I doubt if he has authority in this particular case, because we passed an amendment to the appropriation bill in 1928 which specifically stated that until these charges are paid these people can have no further water. It is possible he has the authority, but the department is in accord with us on this proposition.

Mr. FRENCH. May I take of the gentleman's time sufficient to make a brief statement?

Mr. EVANS of Montana. Yes, indeed.

Mr. FRENCH. The effect of the amendment offered by my friend from Montana, Representative EVANS, concerning the Flathead irrigation project in Montana was so well covered by Mr. EVANS last evening that I shall need to review it but briefly at this time.

On this project there are delinquent charges amounting to approximately \$80,000 that have accumulated over a period of years, from about 1920, when contracts were made, until the present. Most of the charges accumulated prior to 1927 or 1928. The project was in process of development and only a very limited amount of water was available.

The settlers were given contracts for water upon the basis of about 80 cents per acre, the settler taking his chance on whether he could get any water at all. If he were able to obtain water, of course he was paying a low price for it. About one-half of the lands could be fairly served and settlers upon these lands were able to keep their water charges paid. Others did not fare so well. During most of the years many settlers were unable to obtain hardly any water, because the Government had not developed the project to the point where adequate water could be delivered. These farmers had to do the best they could essentially by dry-farm methods. The result was that many settlers found themselves financially unable to meet the charges against their lands in full, and an accumulation of deficits of something like \$2 to \$4 per acre has piled up against their land, making a total delinquency of about \$80,000.

The proposal in the gentleman's amendment is that these deferred charges be spread over succeeding years as part of the construction charges. My colleague has referred to the law under which it is questionable whether or not the Secretary of the Interior may not be compelled to deny any water to a settler who has any charges due and unpaid.

Next year for the first time the Government will be in position to turn a fairly adequate supply of water upon these lands, possibly not entirely adequate—and possibly